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JUAN LEETS

UNITED STATES

AND

LATIN AMERICA

DOLLAR DIPLOMACY

NEW ORLEANS, DECEMBER, 1912

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New Orleans, December, 1912.

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FOREWORD.

To the Honorable, the United States Senate, Members of the House of Representatives and the American Public:

Inspired by that profound sense of justice, which has permeated the citizenship of the great American Republic since its foundation, and with an abiding confidence in the integrity of the representatives of these people in the United States Congress, I beg to present the humble memorial of citizens of the republics of Central America, who have suffered from the consequences of the coercive and iniquitous policies of the Department of State, under the direction of Philander C. Knox.

The purpose of this feeble memorial is two-fold: 1. To acquaint the American public and the members of the Senate and of the House of Representatives with some of the details of Mr. Knox's so-called "Dollar Diplomacy," as applied to the Central American republics; 2. To exert what influence our facts may possess in making for a restoration of the bonds of true friendship between the peoples of Latin-America and the United States, which the ruinous and selfish policies of Mr. Knox have sundered.

In this work I have been aided by some of the most brilliant statesmen of Central America, all laboring with a patriotic impulse and an earnest, sincere desire to establish justice where iniquity and false pretense have wrought naught but ruin and devastation, misunderstanding, discord and bitterness. In this memorial, as well as in personal testimony before the senate committee charged with the investigation of matters relating to the Nicaraguan revolution, I have sought to substantiate all of my charges with documents; and, in not a single instance, have I inscribed a statement which I believed to be less than the truth.

Although the facts which I herewith present show that the great foundation principles of liberty and justice of the mother of republics have been ignored and hidden in the intricacies of the false doctrines emanating from the Department of State, the citizens of the smaller republics to the south have yet a firm faith in the

people of this great country and place this earnest appeal before their representatives in the hope of arousing an interest in Mr. Knox's dealings, which will result in a searching investigation and eventual justice.

While the result of the recent presidential and congressional elections in the United States assures an early change in the personnel of the State Department, with perhaps a marked change in the policies which this government will pursue in its foreign relations, the injustice inflicted upon Central America, through the pernicious "Dollar Diplomacy," has been too great to be ignored by people of patriotic impulses. For that reason we are unwilling to forget the past and leave the people of the United States in ignorance of the noxious schemes and wrongful acts which have been perpetrated under the cloak of "diplomacy."

In this memorial we have striven to present in detail a true picture of the interference of the State Department in Central American affairs and the results of the Knox policy. Summarized, briefly, we attempt to show:

1. Under the pretext of giving aid to the small Central American republics, the State Department has used what it is pleased to term "Dollar Diplomacy" to force upon these peoples loan contracts which would give to a coterie of Wall Street bankers not only millions of dollars tainted with illegitimacy, opportunity for immense graft, but an absolute license to exploit the vast resources of the countries and even administer their governmental affairs.

2. The terms of the loan contracts which Secretary Knox has so assiduously sought to fasten upon Nicaragua and Honduras are vicious, and, when truthfully revealed to the American public, will produce expressions of abhorence and indignation.

3. The Knox policy of dealing with Central America has instilled a pronounced anti-American feeling, where before naught but feelings of friendship toward the people of this great republic existed; turmoil and strife, revolution and poverty have been the baneful results.

4. In one instance Mr. Knox has given active support to a revolution in Nicaragua, in another instance he has opposed a revolution and sacrificed the lives of American soldiers that he might keep in power a usurper and traitor, the poor tool of the

Secretary in his scheme to deliver the country over to New York bankers.

5. Mr. Knox adjudged Zelaya a dictator in Nicaragua and drove him from power, setting up a government which has brought poverty in the stead of prosperity; discord in the stead of harmony; despotism in the stead of liberty; on the other hand, Mr. Knox has insistently supported the worst tyrant and dictator that Latin-America ever knew in President Estrada Cabrera, of Guatmala.

6. With the full knowledge of the State Department filibustering expeditions have been permitted to leave Gulf ports for Central America, and in one instance the knowledge of the departure of such an expedition was used as a bludgeon in a desperate effort to force the President of Honduras to approve a Morgan loan contract, which, it was well known, was distasteful alike to the president, the congress and the people of Honduras.

7. Designing American financiers desired American intervention in the recent Nicaraguan imbroglio, on the other hand, they were wont to have the United States Government adhere to a policy of non-intervention in Mexico. In Nicaragua, except for the killing of two American members of the Nicaraguan army, in actual battle, American life was never endangered, nor was American property destroyed; in Mexico a number of Americans have been wantonly killed, scores of others have been wounded, some have been held for ransom, and millions of dollars of American property have been destroyed. In Nicaragua Mr. Knox intervened; in Mexico he has adhered to the policy of non-intervention. These are facts: the inference is of something un-American.

8. Facts concerning acts of the State Department in its relations with Central America frequently have been concealed from the American public, or else distorted or exaggerated. Sometimes semi-official statements given the press in Washington for American consumption have been totally at variance with the true facts and not infrequently there has been apparent a desire to prejudice public opinion in favor of the attitude of Mr. Knox and his co-workers through such distortion.

Among many of the documents which I present here, and among those which I have already laid before the senate committee, some of the more important were entrusted to me by Senora Hortencia

C. de Madriz, widow of the former President of Nicaragua, Dr. Jose Madriz. At the time of Dr. Madriz's untimely death, in May, 1911, he was engaged in preparing a history of the State Department's relations to the 1909 revolution in Nicaragua, and Señora Madriz desires that the documents and facts which he collected be now given to the American Congress and public, not only in vindication of the memory of this great statesman, but for the benefit which may accrue to the American people, through knowledge of the pernicious acts committed by certain officials of the American Government.

In my testimony before the senate sub-committee, presided over by Senator A. B. Fall, at El Paso, in October, I found the committee anxious to secure light on the conduct of Mr. Knox and his agents in the Central American republics. I placed in Senator Fall's hands many of the most important documents which I brought to this country, satisfied that the cause of a weak nation, my adopted country, was in good hands. On my trip to El Paso I was accompanied by the well-known Honduranian counsellor, Dr. Angel Ugarte, as my legal adviser.

Although born in Russia, I am, with all my heart a Central American and have been honored in my adopted country with important governmental positions. It is the cradle of my wife and of my children and it is my earnest desire to do all within my power toward building up its prosperity and making of it a country wherein we may enjoy liberty and the blessings of a stable Republican Government. I have dedicated all of my efforts and endeavors to this cause, which, always, will remain sacred..

JUAN LEETS.

New Orleans, December, 1912.

DOLLAR DIPLOMACY.

The policy applied by the Secretary of State, Mr. Philander C. Knox, to Latin America during the presidency of Mr. Taft, was termed by its originators, "Dollar Diplomacy."

We propose in this essay to analize this particular policy, and show its disastrous consequences to those countries to which it was applied, namely, "Latin America." Before going into details, we wish to recall to memory the policy of the United States toward the other republics on the American continent as it was pursued prior to the advent of this so-called "Dollar Diplomacy."

During most of the time of the existence of this great nation, its public men have been animated by a desire to maintain an attitude of "NONINTEFERENCE" in the internal affairs of the other countries, and this attitude has been supported by the opinion of the masses in general. This, beyond doubt, is one of the reasons for the astounding growth and rapid progress of the United States of America, whose government, for more than a century, was, relatively, the most economically administered of any in the world. In pursuing, for so long, this admirable policy the succeeding administrations fulfilled the high ideals of the country's father, George Washington, who, with divine forethought, realized the great destiny in store for his country, provided his contemporaries, as well as future generations, followed and obeyed his wise counsel.

"The Monroe Doctrine."

James Monroe, one of the many distinguished statesmen produced by the American nation, in full accord and sympathy with the high ideals and doctrines of General Washington, realized that in order to assure the permanency of the sacred principles upon which this great republic was founded, it was absolutely essential that none of the European powers should be permitted to establish large colonial governments on the American continent.

When the Latin-American colonies freed themselves from Spain, a "sacred alliance" was entered into in Europe, the monarchs then reigning in absolutism binding themselves to send their armies to reconquer for Spain those Latin-American countries which had just ceased to be dependencies of Spain.

The establishment of monarchial regimes on the American continent, upheld by some of the great Powers of Europe, would have

been a constant source of anxiety, and a never ceasing menace, to the United States of America, and would have resulted, ultimately, in making a republican form of government on this continent impossible.

It would have impeded the consummation of Washington's policy, as outlined by him for the future, as this country would have had to maintain a large and costly army and navy in consequence of the advent of monarchical powers on this continent, thus fastening upon the United States the same cancer that has been sapping the life of old Europe.

Monroe, great statesman and patriot that he was, understood and foresaw all this, which resulted in his giving to the world his famous doctrine, "AMERICA FOR THE AMERICANS," a doctrine at that time perfectly well understood, though later on subjected to many varying interpretations, and, therefore, very much discussed.

Monroe, beyond any doubt, purposed to insure for his own country, and for all the other republics on the American continent, the blessings of independence and the tranquility of peace. Nobody at that time, much less the noble author of that Doctrine himself, imagined that at some future day, this very same doctrine might be construed into a menace of the autonomy of those very same Latin-American countries which it was precisely the intention of Monroe to protect against such a contingency. That this doctrine, designed to be a protection, has been twisted into a menace to the integrity of the Latin-American countries, is precisely what we propose to demonstrate in this essay.

"Pan-Americanism."

To perpetuate the Monroe Doctrine, and in a spirit to facilitate its operation, Mr. James G. Blaine, Secretary of State in the Harrison administration, and originator of the "Pan-Americanism" idea, advocated the first Conference of Delegates of the American Nations, which Conference was held in Washington, in 1889.

As a result of this first Conference, the International Bureau of American Republics was created and entrusted with the organization of future conferences, which have been held periodically, with a view of bringing together the peoples of the different races and, thereby, the nations thus represented.

Another great statesman, Mr. Elihu Root, while Secretary of State, under the Roosevelt administration, fostered "Pan-Americanism" and became one of its most enthusiastic propagandists. He was personally present at a Conference which was held in Rio de Janeiro in 1906, later visiting the Argentine Republic, Chili, and other countries, and still later, in 1907, visiting Mexico, where he delivered several speeches, now famous because they made such a favorable impression in all Latin-America, and created such strong sympathy between those countries and the United States. There Mr. Root, on his own behalf, as well as in his capacity as Secretary of State, guaranteed that the policy of his government toward the peoples and the governments of all Latin-American countries was a policy of fraternity and good will, and that the smallest, as well as the greatest, of these countries could rest assured of their independence and autonomy, and the integrity of their territory. These same declarations were ratified by him before the "Central American Peace Conference," assembled in Washington in the fall of 1907*.

*After having nearly concluded, we have received some newspapers from Central America, in which there is a speech of Mr. Root's reproduced in Spanish, and which speech is supposed to have been made in the United States. The tendencies displayed in this speech lead us to believe that it is apocryphal.

A free translation shows:

In this speech Mr. Root declared that the United States is the "Modern Rome," chosen by God to arbitrate not only the destinies of all America, but of Europe and Asia as well. He said that his country is destined to control all of the American Continent and that it is necessary only to determine the means to accomplish this. He declares the natural Frontier of the United States Territory the Panama Canal, and that it will cause surprise in the latter half of the Twentieth Century that in the Map of the United States to-day was not comprised Mexico, Central America and all the Antilles and that it is only a question of time when the Flag of the United States will be seen floating over all these territories, at the same time, pronouncing all Latin-Americans as unfit for a Republican form of Government and unfit for the Yankee Citizenship (as if they should be destined to be the Helots of their compatriots), because the two races are antithetical, unamalgamable and separated by a deep abysm. He said that there is sufficient justification for the annexation and that all that is necessary for its consummation is a joint Resolution on the part of Congress, and he predicts that it will be carried out no matter which of the three contending parties was successful in the presidential election.

We cannot conceive that a man who has captured for himself the sympathies of all the American Continent, because of his professed ideals in regard to Pan-Americanism could be the author of such utterances, less can we believe that this great Statesman should so imprudently offer a challenge, not only to the American Continent, but to all Nations of the world, threatening some with taking away from them their possessions in the Caribbean Sea.

We trust that when Mr. Root reads these lines, written by one who has always had none but sentiments of the highest admiration for him, he will hasten to reassure Latin-America, and principally, to protest against the authenticity of this speech, which the press attributes to him, or to give the authentic version of his speech, should his speech have been misconstrued.

As we have not seen this country's press publish such an important speech, nor discuss it, we are justified in believing that it is not authentic.

If this policy, so firmly maintained by Mr. Root, had been continued, the confidence of the Latin-American countries in the government of the United States would have increased, whereas, today, it is an absolute fact that the former feeling of respect and good will, as expressed by these Latin-American countries, has been converted into a constant feeling of alarm and distrust, and in some cases the love felt for all that was Anglo-American has been changed into a deep-seated hatred—nevertheless, we Latin-Americans recognize the fact that the fault rests not with the people of the United States, but with its recent Government.

Instead of upholding the sane policy of Mr. Root, which had as its basic principle the harmony, the well-being and the prosperity of the whole American Continent, there has been substituted a policy full of deceit, falsehood and schemes to give protection to privileged financial speculations. Mexico, Santo Domingo and Central America are at the present moment the victims of the course steered by the State Department of the United States; and while it is our aim to demonstrate principally where Central America has been wronged, and more especially Nicaragua, for the reason that all are in the same position, we shall make a short enumeration of what has happened to the other countries named in respect to their dealings with the State Department.

Revolutions in Mexico.

This country, during the long regime of General Porfirio Diaz, enjoyed an era of progress and elevated itself to a condition of notable prosperity, made possible by a peace of more than thirty years' duration. It is true Mexico did not improve so far as the education of its masses is concerned, nor did the masses improve in the enjoyment of political liberties, and this is the only serious fault to be found with Porfirio Diaz. He did not educate the Mexicans to appreciate, nor prepare them for the task of maintaining his highly fruitful endeavors, which crumbled in the first onslaught of a revolutionary hurricane, which swept the country, and is tearing at the vitals of that country even now.

Until 1909 the Government of the United States had naught but laudable comments for General Diaz and his way of governing his country, setting him up as a model for other southern republics, for which reason it is easily assumed that if he became "persona

non grata" with the State Department shortly afterwards, this change in affection should not be attributed to the State Department's remorse for not having caused Diaz to grant his people a more pronounced form of democratic government. We do not know the real cause for this change of affection, but we can "put things together." Toward the end of 1909 a revolution broke out in Nicaragua against President Jose Santos Zelaya, toward whom Secretary Knox had shown a great deal of aversion, and which aversion culminated in Zelaya having to resign the presidency and leave his country. President Diaz, of Mexico, came to Zelaya's assistance by conveying him to Mexico aboard one of the Mexican war vessels, and this act of Diaz's brought about a diplomatic encounter between the two countries, and although this incident was satisfactorily terminated, apparently, we are justified in believing that Mr. Knox thereafter felt a deep hatred for General Diaz, when we take into consideration what happened afterwards.

In 1910 a revolution broke out in Mexico, first localized, but later spreading all over the country rapidly. This movement was well supplied with the sinews of war, money and arms; the American frontier was practically kept open for the introduction of arms into Mexico, and American capital was coming abundantly to the support of the revolution. Then the American government sent to the Mexican frontier thousands of soldiers and mobilized a powerful squadron of war vessels with the avowed purpose of sending same to Mexican ports, which naturally was taken as the announcement of an intended intervention, giving for a reason the pretext of having to protect the lives and property of American citizens; and in order to preserve a pretext for intervention, perhaps, indisputable aid was given the revolution.

Perhaps, due to the stand taken by Congress, or, perhaps, for the reason that the State Department convinced itself of the fact that an armed intervention in Mexico would mean an immediate cessation of all inner strife and a union of all Mexicans, who then would have taken up arms against the invader, no intervention in that country took place. The Government of General Diaz fell, but, unfortunately, this has not terminated the revolutionary spirit. Out of the rank and file of the victors against Diaz there arose malcontents, who have continued the strife with varying success to the present day, to the great misfortune of that unhappy country.

In this second epoch of the revolution the conduct of the State Department has been entirely *different*. There are to-day along the frontier but some hundreds of soldiers, and these have been sufficient to maintain the neutrality of American territory. The present revolution has been deprived of the necessary elements of war, and denied other resources of United States, because any violations of the neutrality laws are now severely punished, in accordance with a proclamation of Mr. Taft, intended to stop such violations. Further, federal troops of the Mexican Government were allowed to cross into American territory, in order that they might give battle to rebel forces, which otherwise would have been out of their reach.

This change in the attitude of the State Department during the two distinct revolutions, the one against Diaz by Madero, and now, the one against Madero in turn, invites the suspicion that the present government of this country has had no determined policy toward parties or persons in Mexico, but hopes for a prolonged strife in order to satisfy ulterior ambitions or desires, which, fortunately, will never materialize, now that there is reason to expect a radical change in the policy to be observed toward the Latin-American countries during the approaching probable change of administration.

In relating what has taken place in Mexico, we would emphasize the fact that we are in no way allied to either one of the factions engaged in that disastrous strife. It is rather our purpose to expose the attitude of the present American administration and the criss-crossings resorted to in its policy, in this particular case toward Mexico, and in general toward all Latin-America.

"Doctrine Knox."

The Monroe Doctrine, as we have related before, was willingly accepted by the peoples of all Latin-America; but when later on an amplification was invented to signify the right of tutelage of the United States of North America over the other republics of the continent, this interpretation, odious, arbitrary and pernicious to all Latin-America, met with vigorous protest in all Latin-America, where public opinion was unanimous in expressing itself as follows:

"The good we saw in the Monroe Doctrine was the guaranty of our right to an autonomous political life, but if this doctrine is

now to be construed into meaning that the United States will protect us against Europe for the purpose of dominating us, and dictating to us at pleasure, we cannot see where we are benefitted any longer; in fact, it would mean that we may 'jump from the frying pan into the fire.'

Recently, under the Taft administration, the Secretary of State, Mr. Knox, has seen fit to add to the supopsed right of tutelage over the Latin-American Republics, an assumption even more pernicious and objectionable, that of policing these countries, and, further, has sought to impose, especially on Central America, a financial protectorate which would deprive these countries of the administration of their own fiscal affairs.

During his first year as Secretary of State, it seems that Mr. Knox saw a vision of himself as the savior of Central America, insuring for these countries peace and prosperity by his efforts to bring about the resurrection of a nation that had once been known as "Republic of Central America," and composed of the states of Guatemala, Honduras, Salvador, Nicaragua and Costa Rica. However, these altruistic thoughts were shortly afterwards vanquished by his instincts of commercialism, and it was then that he conceived the idea of carrying out his plans of imposing a financial tutelage on those countries by delivering them into the hands of syndicates of financiers in Wall Street, formed for that special purpose, and who were thus privileged to exploit those countries, while the people of the United States derived no benefit whatsoever.

A close examination of the financial impositions on these ocuntries, brought about by, and a result of, the "Dollar Diplomacy," justifies us in making the statement that they were the cause of the last revolutions in several of the countries bordering on the Caribbean Sea.

Now let us see how the originators and defenders of the "Knox Doctrine" represent the same to the masses, and how they try to defend and justify it. President Taft himself, in his speeches and messages, and Mr. Knox, in lecturing before universities and in addressing voters, have emphasized always the assertion that this policy would lead to an assurance of peace and progress in the Latin-American countries, would bring about prosperity, and that dollars would take the place of the rifle bullets that had been flying about there. They also asserted that since Americans, as agents

of the United States Government, would take charge of the Custom Houses in these countries, the principal inducement for revolutions would disappear, asserting that these revolutions originated only because those who start revolutions hope thereby to make themselves rich: That this policy had proved a success in Santo Domingo, where it has been enforced for several years: That the proposed loans to these countries would result in the utmost benefit to them, and secure their protection; and, in general, they have endorsed the plans of a few bankers, favored by the State Department, who would derive benefits by exploiting these countries.

Santo Domingo.

As the present Government has always pointed to Santo Domingo for a justification of its policy, let us see what has really taken place in that country since a financial protectorate was imposed on it by the American Government. More than fifteen years ago, a group of American financiers undertook the settlement of Santo Domingo's foreign debt, a condition being that the administration of the Custom Houses should be exercised by American employes of the American syndicate, which was formed for that purpose. This transaction would have resulted in a complete failure for these speculating bankers, had it not been that they succeeded in obtaining the support of the United States Government, which forced a treaty on the government of that island, in which it was stipulated that the President of the United States should in future appoint the collectors of customs on the island, that these collectors should have the power to use their own discretion in the management of the same, and leaving to the Collector General the supervision of the foreign debt and its settlement. It is plainly seen that from then on the privileged bankers derived all the benefit while running no risk whatsoever, as they were guaranteed by the Government of the United States.

Now, if this financial imposition had borne good results, there would have been some excuse for this policy, considering the circumstances, particularly, that at that time it actually prevented various European nations from taking action against Santo Domingo, through the use of war vessels, which had been sent to enforce the collection of debts of the government due their subjects. But this object could have been accomplished by simply putting

forward the Monroe Doctrine, as was asserted by distinguished public men of South America. The whole undertaking proved a failure, and has never done for the country what its originators claimed for it, although it is to be admitted that, due to an efficient management, the income derived from the customs increased materially during the first years, while in later years the revenues have remained stationary.

As to the honesty and integrity of those officials appointed by the President of the United States, may it suffice to refer to the scandal in which the Collector General of Santo Domingo was involved, and which was aired by the press of this country. That none of the purposes of the enforced financial tutelage over Santo Domingo materialized, viz: the settlement of the foreign debt and "maintenance of peace," is history. In proof of our assertion relative to the foreign debt, we shall quote the more authoritative report of a meeting of bondholders of the foreign loan of Santo Domingo, which took place in London in 1910. This report says:

"The Council regret to report that no steps have yet been taken to remedy the injustice to the British holders of Santo Domingo bonds, under the settlement of 1908. At the time the Honduras proposals were brought forward in 1909, the Council were given to understand that the matter would have prompt attention; but beyond further vague assurances that the subject was not being lost sight of, nothing has apparently been done."

In consequence, the foreign credit of Santo Domingo has not improved, and is really worse than before the advent of the American officials, for the very good reason that now it is not given to the government to promote the betterment of the credit of its own country.

As to the maintenance of peace in that country, the failure could not be more marked, for in the course of fifteen years of the North American supervision of the finances of that country, two presidents have been assassinated, and a series of revolutions have taken place, all due to the unrest created amongst the masses, who suspected their executives to be tools in the hands of a foreign power. Especially, during the last two years, we are justified in asserting that this unfortunate country has not enjoyed a single moment of true and perfect peace, in spite of (or, perhaps, because of) the fact that all these insurrections were suffocated by the pressure

brought to bear in the presence of American war vessels. Very recently this pressure proved inadequate, and it was found necessary to despatch to that country formidable expedition of marines, without it being known whether this expedition went in support of the government or of the revolutionists.*

Why, then, do President Taft and Secretary Knox insist in lauding their scheme of intervention in Santo Domingo, and why do they continue representing this intervention as something that ought to be practiced in the other Latin American countries?

They themselves cannot be bona fide believers in what they acclaim, for do not the facts, and facts known to the world at large, belie them.

Let us pass to a study of the results of this "benevolent and fraternal policy" in those countries of Latin-America, where it was imposed, or where efforts were made to impose it.

Costa Rica.

About four years ago an agreement was entered into by the Costa Rican Government and a syndicate of bankers of New York, with a view to obtaining a settlement of the foreign debt and a new loan; the principal condition being the delivery of the Custom Houses to collectors to be named by the President of the United States. The conditions were very similar to those imposed on Santo Domingo, but with the difference that the Government of the United States was not named one of the contracting parties.

The Costa Rican Congress did not approve this contract, seeing in it a menace to its national sovereignty. Afterwards a very similar contract was entered into with Mr. Minor C. Keith, in substance, in fact, identical with the other contract proposed as far as the financial part of it was concerned, but no mention was made of any intervention by a foreign government.

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*The Revolution in Santo Domingo has been put to an end, through the intervention of the United States Government, whose Delegate declared himself in favor of the Revolution, resulting in the down-fall of President Victoria and the elevation to the Presidency of the Bishop of the Diocese.

It is curious to see that the Diplomacy of a country, most of its people being Protestant, should favor as chief of the government of a foreign country the head of the Catholic Church, the most intolerant of all sects, and which will deprive of religious liberty not only the natives, but the foreigners as well. This must be another one of the so-called benefits of "Dollar Diplomacy."

This latter contract was ratified by Congress and is in force at this present moment. We do not propose to applaud this contract, which might have been arranged with greater advantage to the country, but, for the fact that there was nothing contained in that agreement that could possibly endanger the sovereignty of Costa Rica, it did not cause any ill feeling among the masses and did not irritate public opinion. Otherwise, it might have caused riots, even in this peaceful country.

Guatemala.

Similar propositions of financial support were made to the Government of Guatemala at about the same time that the Costa Rican Congress vetoed the offer made that country, and this offer to Guatemala was recommended, although rather informally, by the State Department. Guatemala's executive would not assume the responsibility of accepting or rejecting the proposition, and referred it to the Congress, which body returned it without commenting on it except to recommend to the President to use his own judgment.

Well known as is the despotic form of government in Guatemala, in justice to the President, we must say that when he turned over to the Congress this loan proposition he clearly proved that he did not favor such negotiations and merely desired to delay a decision and, at the same time, maintain himself in the good graces of the State Department and of Mr. Knox. With his recognized astuteness, President Cabrera has succeeded in continuing his system of delay and has prevented any action by the Congress of Guatemala up to this time. This conduct proves that, if he lacks strength of character, the president certainly manifests a good deal of prudence by which he maintains himself in power and in favor with the State Department, whose plans relative to the other Central American countries he has always aided and abetted, as we shall prove later on.

Honduras.

Simultaneously with the propositions made the other two countries named, the State Department approached Honduras, through the American Minister at Tegucigalpa, intimating to the Honduran Government the advisability of sending a representative to Washington with a view to taking advantage of the offer of a syndicate

of Wall Street bankers to settle the foreign debt, to advance funds for the carrying out of progressive public works, and for the redemption of the internal debt, assuring the government that this proposition would be more advantageous to the country than the settlement made with the Minister of Great Britain, who was at the same time representing the foreign bondholders. (See Addenda "A.")

Before this took place the State Department had used its influence in inducing the Foreign Office in London to annul the settlement made through the British Minister. The Honduran Government sent a commission to Washington and New York, who listened to the propositions of the bankers, which were conditional upon the signing with the American Government of an agreement, by virtue of which the said government would assume the administration of the Honduran Custom Houses, through the medium of employes, whose appointment and dismissal should be made at the pleasure of the President of the United States, and who, therefore, would not be responsible to Honduras.

The loan was to amount to Ten Million Dollars at a rate of emission of 88% bearing interest at 5% and 1% for amortization. Of these millions not even ten per cent were to reach Honduras, and the greater part of this same ten per cent was to be invested in railroad supplies, machinery, rolling stock, etc.

As to the other terms and conditions of this negotiation, undoubtedly an acceptance would have been tantamount to Honduras having to give up its sovereignty and the proceeds of its fiscal income, for the benefit of this group of bankers, backed up by the State Department, thus placing the country at the mercy of its so-called protectors. Reduced to cold figures, Mr. Knox's proposition was this: That Honduras would have to pay in forty years more than Twenty-six Million Dollars, instead of the Eight Millions it would have had to pay if the settlement made with the British Minister had been kept in force, which latter proposition contained no pitfalls, nor degrading conditions and stipulations. In spite of this, President Taft, as well as Mr. Knox, persisted in proclaiming to the world that they were holding out a "generous hand" to the Latin-American countries, in order to lighten the weight of their foreign debts, when in truth they were devising means to corner

these countries in such a way as to force them into political distress, and final inability to maintain their sovereignty, thus forcing them sooner or later into having to ask the United States for annexation or for a complete and perpetual protectorate. In such a situation, these countries would be under the dominion of the Executive of the United States, who would be ruling over them without having to assume any responsibility to his own people, because, in a given case, he could unburden this on his allies, the group of financiers, over whom the courts of the United States would have no jurisdiction, for the reason that if they committed punishable acts, these were committed in a foreign country, and the laws of that oppressed country could never reach them, for the reason that their influence would aid them in avoiding being held responsible.

This loan proposition was held secret here in the United States as well as in Honduras. In Honduras because pressure had been brought to bear on the President by the State Department and the banking syndicate not to publish it, so that only a few of his Ministers may have had knowledge of the same.

The Envoy of Honduras in Washington refused to sign this Loan Treaty and contract, acting under instructions from his government, until, in July, 1910, Honduras was surprised by an attempted revolution, consisting of an armed expedition invading the Atlantic Coast of Honduras. Although the American navy had been very watchful on similar and previous occasions, when this expedition was sailing the Bay of Honduras, the American warships did not appear.

This revolution proved a fiasco, but the State Department took advantage of it, in giving the then Executive of Honduras to understand, first, through his own envoy at Washington, and again, through the American Minister at Tegucigalpa, that only on the condition *that he accept the tendered Loan Proposition,* could he, the President of Honduras, insure himself against a repetition of revolutionary uprisings as the State Department *would then bind itself to crush same.*

The President, General Miguel R. Davila, whose sole ambition was to retain himself in power at any price, then began to change his instructions to his financial agent, and at the same time, Envoy Extraordinary at Washington, then in New York, General Juan E.

Paredes. He still instructed his representative, however, not to submit to any clause which could possibly endanger the sovereignty of Honduras. In order to break President Davila's resistance, the extreme was reached in having the press of this country publish hints that should President Davilla not accept the Loan Proposition in toto pretty soon, it would be accepted anyway by Honduras, as a revolution in that country was unavoidable, and that the head and leader of the revolution had beforehand pledged himself to accept the proposition. When President Davila shortly thereafter requested the United States to prevent the sailing of that much heralded revolutionary expedition, at the same time accusing the President of Guatemala of having given this intended expedition his support, the premptory answer he received from Washington was *"Sign the proposed Financial Project first."*

Finally Davila gave orders to sign the Loan Treaty, which instruction the Honduran representative at first refused to obey, but finally complied with, after having filed a protest, on the tenth of January, and after the announced revolution had already been started and two ports had been taken. However, the Honduran representative irrevocably refused to sign the contract with the bankers. The truth of this incident has been repeatedly vouched for by Mr. Paredes in various pamphlets which he has published in the United States. Copies of some of the most important documents we attach, Addenda "B."

When this revolutionary expedition, which started from the Atlantic Coast of the United States, reached the Coast of Honduras, after having taken aboard their vessel, somewhere along the coast of Guatemala, some war supplies that had been offered by the President of that country, there were two American war vessels in these waters, but they took no action to detain the expedition. The American cruiser, Tacoma, went alongside the Hornet, the leading vessel of the expedition, to ascertain if this vessel had violated the neutrality laws of the United States, but the Tacoma's commander declared that he found nothing suspicious aboard. After Davila had signed the Loan Treaty, the same Tacoma was ordered to capture the Hornet, but the Hornet had had time to land the war supplies she had had aboard.

This Loan Treaty was almost unanimously vetoed and declined

by the Honduran Congress on the last day of January, the State Department, however, insisting right along that the agreement with the banking syndicate should also be accepted and signed. The signature was affixed to the agreement in February, not, however, by the same Envoy, who had been recalled, but by the permanent Minister Plenipotentiary. It is worth relating that when the Honduran Congress refused to ratify the Loan Treaty the American navy showed once more, and openly, a marked partiality for the revolutionists.

When the State Department offered its good offices with a view to bringing about peace, a note was addressed to the American Minister at Tegucigalpa, to the commander of the American Squadron and to the two warring factions, containing the basis upon which the United States would undertake to mediate, one of the terms being that Puerto Cortez should be declared a neutral zone, whereupon the commander of the Tacoma insisted that the garrison of the constitutional government should vacate the port, which demand was complied with, the port remaining under the protection of the foreign consuls and the men-of-war, but chiefly under the protection of the declaration of neutrality which had been issued by the State Department.

Therefore, when President Davila was informed by the American Minister in person, who stated that he had come in representation of the Commander of the Tacoma, that he, Davila, was to authorize the delivery of Porto Cortez into the hands of the revolutionists, his surprise can be imagined. Of course, Davila refused, stating that his refusal was based upon the assurance of the State Department that Porto Cortez should be a neutral zone, etc., as related by us, but the American Minister became insistent the following day, and after a few hours of discussion of his demand, when he, no doubt, became annoyed, he said to Davila: "It is useless to lose any more time. The port has been in the hands of the revolutionists since yesterday, and if you care to be assured of the American offer of mediation, you had better consider the delivery of Puerto Cortez to your opponents as a "fait accompli." The truth is that the port had been delivered to the revolutionists even before President Davila had been asked for his authorization.

Mr. Knox, in his offer of mediation, stated as another clause of

his stipulations, that President Davila should deposit the executive power in a third person, so as to bring about a termination of the inner strife, and that this third party should be entirely impartial, so as to give guarantees to all Hondurans, of all factions, alike. Regardless of this, and obeying explicit instructions from Mr. Knox himself, his emissary, Mr. Dawson—to whose decision the delegates to the Peace Conference held at Puerto Cortez pledged themselves, appointed Dr. Francisco Bertran as the person in whom President Davila should deposit the executive power.

We do not care to discuss the personal merits of Dr. Bertran, but the fact remains that he was affiliated with the revolution, and actively engaged in the ranks of the revolutionists, and was besides known as one of the most intimate friends of the revolutionary leader. This is one of the reasons why an understanding and a peaceable settlement of their differences could not be arrived at among the Honduranians, because the ruler, in fact, being the victorious revolutionist, all the promise of a guaranty to all Hondurans of other affiliations have proved an illusion up to this date, contravening the assurances given by the State Department in its offer of mediation.

However, *this two-faced policy of the State Department resulted in a benefit to Honduras.* The victorious opponent of President Davila, favored by the State Department, also remained unsatisfied, and as public opinion in Honduras had always been manifestly in opposition to the proposed loan negotiations, the new President has not ratified that Loan Project up to the present day, thus frustrating the hopes of the banking syndicate, who had placed full confidence in him, and who have since made him new propositions more advantageous than the old ones.

The new President was greatly assisted by the adverse stand taken against this loan policy by the American Senate, which attitude was greatly admired and applauded in all Latin-America. The action of the United States Senate in declining to approve this loan convention was principally due to the energetic efforts of a few Central Americans, particularly Dr. Policarpo Bonilla, former President of Honduras, who presented astounding revelations to the Senate regarding the vicious terms of the proposed contracts and the insincerity of the State Department's attitude. Had the

Senate approved the treaty, the State Department would, no doubt, have dared to press energetically the new President into yielding to its demand, and he, knowing from personal experience to what extremes the State Department might go in order to accomplish its purposes, might probably have imitated his predecessor in order to remain in the executive chair.

We believe that we have succeeded in clearly demonstrating that the last two revolutions in Honduras were, if not actual creations of the State Department, at least, well known beforehand and tolerated by the same as a necessary consequence of its coercive Dollar Diplomacy.

In continuing we shall proceed to prove the guilt of the State Department in connection with the two last revolutions in Nicaragua, all of which will lead us to the conclusion that Knox's policy in Central America, and in general, in all Latin-America, must necessarily be unanimously condemned.

Nicaragua.

Simultaneously with the Loan Propositions made the other Central American countries, President General Jose Santos Zelaya, of Nicaragua, was approached. He, however, would not even agree to discuss the proposition, and proceeded to arrange a loan in Europe, one of the main objects of this loan being the settlement of the American debt. Considering the especial zeal which Secretary Knox has sought to bring about an acceptance of these loan propositions, it seems that this loan policy had become with him a personal hobby, and a matter of personal pride, and it can be easily deduced that Zelaya's refusal meant that from that very moment his government was condemned to disappear. Enormous claims against Nicaragua were initiated or resurrected and vigorously pushed, some of these claims being *nothing short of monstrous,* but Zelaya never gave cause for the breaking off of diplomatic relations, because he offered such favorable settlements with the claimants that neither they nor the State Department could find a pretext to refuse these offers.

But Mr. Knox was determined to punish Zelaya, as he might have expresed himself, for his stubbornness and a *revolution* was not long in forthcoming.

The Military Chief on the Atlantic Coast of Nicaragua, Juan J.

Estrada, brought up by Zelaya, and a man in whom Zeleya had confidence, declared himself in rebellion against Zeleya, making common cause with the other malcontents in the country. From the very beginning of this revolution, it could be seen that it had merited the benevolent consideration of the State Department, and that American Consul Moffat, in Bluefields, was notoriously an accomplice. The revolutionists were allowed to openly acquire war supplies and ammunitions of all kinds in the United States, and were amply supplied with funds by American capitalists. All of this was done openly, and with the benevolent and even complacent consent of the American authorities.

As one of the best proofs of our assertions, we shall submit also the report given to the New York Times recently by former President of Nicaragua, Juan J. Estrada, leader of that revolution. (Addenda C.)

But in order to take action against Zelaya openly and with a free hand, Mr. Knox had to avail himself of some pretext to open hostilities. If such a pretext had not happened to present itself, surely Knox would have fabricated one, but it so happened that it presented itself in the execution of Groce and Cannon, the two American adventurers who had been actively engaged in the ranks of the Estrada revolution, and who had been taken prisoner when in the act of blowing up with dynamite some government river boats, and who had been condemned to death by a court martial.

We do not want to discuss the legality of this sentence, because it is of no importance in the case, and we can admit, if necessary, that it was not legal, although the fact that they were, when taken prisoner, in arms against the government and engaged in dynamiting government transport steamers, forfeited them their right to protection of the American Government, in accordance with universal precedence. This was recognized recently by President Taft himself, when cautioning all American citizens residing in Mexico to abstain from siding one way or the other in the political strife, and that a contravention would cause the loss of right to protection by the United States Government. Had Cannon and Groce been in the rank and file of the revolution for the sake of the gain that there was in it for them, they should have been left to the consequences of such a hazardous venture. If enthusiasm and belief in the justice of the cause had led them to join the revolution to com-

bat a despot, they had to take the chances and risks that all patriots take of falling into the hands of such despots. Besides, nobody who violates the International Law can afterwards claim immunity from it.

The most the State Department should have done, and there is precedent for such action, was to intervene in a friendly spirit in behalf of the accused in order to spare them capital punishment. Mr. Knox had ample time to do this, if he had really wished to save the victims, but he did not intend to do so, nor did he ever try to do so; and in his memorable note addressed to the Charge d'Affairs of Nicaragua, which note was dated December 1st, 1909, and which he claimed was caused by the execution of Cannon and Groce, he ignored all the principles of international law, annulled all precedence, and returned to the civilization of the Middle Ages, when brute force was the only source of justice.

In this note, Knox, in his selfsufficiency, pronounced the sentence imposed upon Cannon and Groce unjust, declared Zalaya's government tyrannical and despised by public opinion, and asserted that all Nicaragua had risen in arms. This was not the truth, it being well known that the revolution was at that time localized on part of the Atlantic Coast. He declared Zelaya the perturber of peace in Central America and a violator of the Washington conventions, who had merited the complaints from the other governments of Central America, who considered his stay in power a constant menace. This latter assertion of Knox's was based, probably, upon representations made to the State Department by the President of Guatemala, who has been a tool in the hands of Knox and a willing helpmate in his policy of intervention in the other Central American countries.

With this act Knox constituted himself judge over an independent nation, and resolved to disavow the legitimacy of the government presided over by Zelaya, breaking off the customary diplomatic intercourse with him, and declaring Zeleya's government a defacto government, which would merit the same consideration as the defacto government of the revolution.

We do not believe that there is another incident in the diplomatic history of the civilized world that may be compared with the act we have just related.

The proceeding of the State Department would have been much less scandalous had it lived up to its much heralded resolutions. However, it did not do so. It sided openly and without regard for appearance with the revolution, which it assisted with its moral and material power to become victorious over Zelaya, as shall be proven later on. (Addenda D.)

Zelaya, stunned by the violent attitude of the State Department, committed the grave error of depositing the executive power in the man who was the choice of Congress, according to the Constitution, when he should have used his best endeavors to gain a decisive victory over the revolutionists, thereby compelling the revolutionists to consider his separation from the executive power as the best solution of the conflict; and then, should the State Department not have been satisfied, Zelaya would have compelled Knox to support the revolution with armed force to enable them to gain the victory. Zelaya's premature move of separating himself from the country's executive power, just at the moment when the forces of both warring factions were lined up for a decisive battle, naturally produced a state of demoralization in the rank and file of the government troops, bringing about, in consequence, the defeat at Recreo, which served to inspire the revolutionary forces with new vigor and confidence, and encouraged them to continue the revolt against Zelaya's successor, Dr. Jose Madriz. This in spite of the fact that it was well known that Dr. Madriz had been a political exile during the Zelaya regime for more than eleven years, and was, therefore, far from being responsible for the acts attributed to Zelaya. But what tended more than anything else to prolong this strife against Madriz was the stand taken by the State Department, in refusing to recognize the government of Dr. Madriz, in spite of its having been legally constituted, within the prescriptions of the Washington Treaty, and regardless, as well, of the fact that the Madriz government had been recognized by all the other civilized nations, excepting Guatemala and Salvador. These two countries had been influenced by the State Department to withhold their recognition, in violation of the said treaty, the attitude of the State Department being based on its stand that it would pursue toward the Madriz government the same policy it had outlined to Zelaya's Minister in Washington.

The struggle then continued even more sanguinary than before, but surmounting all these unfavorable influences, the forces of the Madriz government routed the revolutionary troops in the interior of the country, thus leaving the revolutionists reduced to one stronghold in Rama, and its base of supplies, Bluefields, on the Atlantic Coast. To accomplish this, the army of the government made superhuman efforts and sacrifices, and only after a march through morasses and never ending swamps, where hundreds of men, horses and conveyances were left buried in the mire, did the loyal troops succeed in reaching the aforenamed two strongholds of the rebels on the Coast, Rama and Bluefields, precisely simultaneously with maritime government expeditions, who were then occupying the ports and all the river outlets along the Coast. After a combined attack, they captured the bluff, the key to the port and town of Bluefields. When preparing to attack Bluefields by land and sea, American marines were landed, and the commander of the squadron gave official notice that he would not permit any hostile acts against the town of Bluefields; that he would not allow the detention of any mercantile vessel, not even to be searched for contraband of war, and that he would not allow the collection of import duties by the Madriz government at the Bluff Custom House, which had always been the legal custom house for the port of Bluefields; that the revolutionists were to levy custom duties at a new Custom House, which had been established when they lost the Bluff Fort, in front of which, and covered by its artillery, all vessels were obliged to pass in going to and coming from the so-called new Custom House. A logical consequence of the proceedings of the American commander was that the revolutionists, being guaranteed the safety of Bluefields by the presence of American marines, massed all their forces for the defense of Rama, and being assured of Bluefields as a base of supplies, as the marines were there with the avowed purpose of defending the town against an attack by the Madriz forces, that the demoralization which had been noticeable in the ranks of the revolutionists was replaced by a firm confidence in an ultimate victory; and that the lack of munitions of war which had been noticeable in the revolutionary headquarters was replaced by an abundance of everything necessary for a campaign, for American marines, covered by the American flag, were

sent aboard all incoming vessels, neutral, American or revolutionary, thus rendering the importation of all war material safe and sure for the carrying on of the revolution. The American commander would previously notify the commander of the fort at the Bluff, and the chief of the Nicaraguan navy, that should an attempt be made to detain these vessels, or should a shot be fired at them, it would be considered a *declaration of war* against the United States, and that then the American war vessels would bombard the fort and sink the Nicaraguan war vessels.

Upon representations made by the Madriz government to Norway's, by whom Madriz had been recognized as the legitimate President of Nicaragua, the Norwegian Government prohibited all vessels flying the Norwegian flag from transporting contraband of war to the revolutionists, or disobeying in any manner the orders of the legitimate government of Madriz; but the commander of the American squadron, supported expressly by the State Department, instigated the masters of these Norwegian steamers to disobey the orders of the government, and putting American marines aboard their vessels, guaranteed them an unmolested entry into the port. The Norwegian Vice-Consul at Bluefields, Mr. Clancy, who had apprised his government what had taken place, was dismissed from his position of Vice-Consul of the United States, which office he was holding also.

The ultimate result of all this was that the Madriz forces realized that it would be useless to continue fighting against such odds, and as it was not possible for the land force to maintain their position any longer, a general retreat was ordered, under the circumstances equal to a defeat. When these disheartened troops arrived back in the interior, they contaminated the balance of the army, and before long every man in the ranks was convinced that they had been fighting a hopeless battle, not *against the revolutionists, but against the power, gigantic in comparison, of the Government of the United States.* Dr. Madriz realized that to continue the strife would mean useless spilling of more blood, and he deposited the executive power in a deputy named by Congress, who, in turn, turned it over soon afterwards, to the leader of the revolutionists. We publish attached the proofs of what we have related, and especially the proofs of the complicity of the State Department. We furthermore attach a

publication written by Dr. Madriz relative to these facts, which he had written with the intention of submitting same to the Nicaraguan Congress, which, however, he was not given the time to do. (Addendas E y F.)

To anybody who personally knew Dr. Madriz, who was a highly civil man, cultured, learned and highly patriotic and honest, it must have been surprising to witness Mr. Knox's unbending efforts in continuing to give battle to Dr. Madriz, when he should have given him his moral support in order that he might have succeeded in reorganizing and pacifying his country, which would have prevented the sacrifice of more than 4,000 Nicaraguan lives and millions worth of property; the more so when Dr. Madriz showed plainly through his propositions made with a view to establishing peace, that his personal ambition would not stand in the way of peace, and that if the adversaries insisted, he would renounce his candidacy when a definite government would be agreed upon.

It is of no use that Mr. Knox offers the excuse that he did not know Dr. Madriz, for we are sure that he had sufficient information from one who should merit his confidence, Admiral Kimball, the Commander of the American Squadron in Pacific waters of Nicaragua, who was in personal contact with President Madriz, and who formed the same opinion of esteem of Dr. Madriz that we have expressed. It is, perhaps, because of Admiral Kimball's sincerity when addressing the State Department in favor of Dr. Madriz that he was withdrawn from his post before the termination of the controversy. And, as it had become a matter of self-love with Mr. Knox to push ahead his *Dollar Diplomacy* at all costs, Dr. Madriz was objectionable to him, just on account of his sterling qualities, which made Knox sure that Dr. Madriz would never become a tool in his hands, to execute schemes involving in truth treason to his country, and its complete ruin. Knox needed unscrupulous men, who would profess to political creeds like this one, "So long as we succeed in keeping the Liberals out of power, we will willingly submit to the tutelage of any foreign power, if necessary, even to that of China."

Being intimately aware of the men he had at his bidding in Nicaragua, the Dawson Convention was the necessary consequence and result, the Convention which has been kept secret in Nicaragua

by the Executive to such an extent that he has refused to show it even to the Nicaraguan Congressmen who asked for it.

Here in the United States, to our knowledge, the complete text of the Dawson Treaty has never been published; neither in Nicaragua, nor here in the United States, has this treaty ever been approved by the respective legislative bodies, and it can never be ratified for the very good reason that it was not a pact between two governments, but between an agent of the State Department on one side, and, on the other, some of the chieftains of the revolution, who, with the criminal complacency of the traitor, were demonstrating their gratitude for the support given them in coming into power.

However, the State Department has elevated this Dawson Convention to the height of a venerable, sacred treaty, far superior to the laws and the constitution not only of Nicaragua, but of the United States as well, since a pretended violation of this convention caused, and made even more sanguinary, the last war in that unhappy country.

From what has filtered out to the public of this Dawson Treaty, we know the following: That the treaty was entered into between Mr. Dawson and five men who represented themselves as conspicuous personages of the Conservative Party, namely, Adolfo Diaz, Luis Mena, Juan J. Estrada, Emiliano Chamorro and Fernando Solarzano, none of whom could represent Nicaragua legally, or be placed in charge of such engagements, which have later been fulfilled, and of which the scope cannot yet be foreseen. Among Mr. Dawson and the men named, it was covenanted that Mr. Estrada should continue in the Presidency for two years, and that during this time Adolfo Diaz should be Vice-President, and that when elections were to take place, the five men nominated (who had been converted by themselves and by the grace of Mr. Dawson into "Great Electors" of Nicagarua), would select from their midst the President and Vice-President for the next term, thus annulling the popular vote, or, more properly speaking, making of it a repugnant farce.

Then a disagreement occurred between two of the "Great Electors," President Estrada and the Minister of War, Luis Mena, in consequence of which the latter was imprisoned, but the American Minister, Northcott, intervened, and compelled the President to

reinstate Mena in his position and status, whereupon Estrada, who resented the interference of the American Minister, notified him that it should make impossible his permanency in his office. When the American Minister insisted, Estrada turned the presidency over to Adolfo Diaz.

A short time before that, as Estrada and Mena were not satisfied with the constitution, as dictated by the National Assembly, or rather, with the political tendencies of this Assembly, it having been elected by the partisans of Emiliano Chamorro, they dissolved the Assembly, and called together a new one, which was satisfactory to Mena, but which in the matter of principles and as a legitimate representation of public opinion, did not differ much from the previous one.

This Assembly being in session, the "Knox-Castrillo" treaty was convened upon as a basis for a loan, which contract was signed by Castrillo and a group of bankers of New York. Both the proposed treaty and contract were made known to the National Assembly, but as this Assembly was under Mena's thumb, and as Mena was opposed to this negotiation, he was allowed, in order to overcome his opposition, to have himself elected President by this very same Assembly for the next Presidential term, without anybody recalling the Dawson pact, of which, afterwards, this election was denounced as a violation. Mena's election having taken place without a protest from the Electors constituted by the Dawson pact, nor from the American Minister, the way was smoothed for the ratification of the Castrillo agreements. The Assembly was not given time to discuss the negotiations, an immediate decision being declared imperative in a single session, and they were approved by a majority of the Assembly, this majority having been carefully prepared beforehand. The voices of six patriotic members, who protested in vain, were unheeded, as was a protest from two of the Secretaries of the Executive, who consequently resigned their posts in order not to be accomplices in the sale of their country.

The conduct of the State Department appears throughout this incident as phenominally curious, or more than that, absurd. In this great country, where free institutions are a fact, and where the Republican form of government has always been considered a

model worthy of copying, and a stimulus to the Latin-American countries, the government, it seems, is determined to encourage the Government of Nicaragua, not only to break its own laws, but all the principles of a true democracy. Unfortunately this has been the tendency of the State Department right along in its relations with its neighbors to the south, for during the last few years it has regularly been the policy of Mr. Knox to intervene in favor of the tyrannical factions in those countries, and against the legitimate interests of the masses. Whenever the State Department has given its support to revolutions, it has never taken an interest in making sure that the revolution thus supported would guarantee later on a sane and responsible government, to justify, or at least, explain, the intervention. This phenomena is explained by the fact that the policy of the State Department was not inspired by a desire to further the mutual interests of the countries, but rather, for transitory personal interests, or with a view to furthering the plans of and assisting those privileged financial speculators. Had the motive been a different one, and had the interventions resulted in the establishing of true liberal regime, with law and order and honesty in the administrations, on account of the assistance received, the interferences in these countries might have been pardoned, and would have been appreciated finally, even if the national pride of these countries had been hurt and resentment aroused in the beginning.

The Castrillo agreements are built up on the same basis as the propositions made Honduras and other countries named, but contain some terms and conditions which are even more aggravating to Nicaragua. As Nicaragua had but an insignificant, and relatively well taken care of, foreign debt, Dollar Diplomacy had to resort to the plan of amortization of the internal debt of Nicaragua, represented by depreciated paper money in actual circulation, to find a pretext for seizing the custom houses of the country; and in order to secure the absolute control of financial conditions in the country, a mixed Commission of Claims was created in which United States citizens form a majority, these Americans having been appointed by the State Department or its representatives. It is left, in fact, to this Commission's discretion to raise the figures of this internal debt to the height they may deem convenient, or

to favor claims of friends of theirs as they may see fit. The contract loan is Fifteen Million Dollars at 90% emission, beside other expenses and costs, with 5% interest per annum, and 1% amortization.

We do not intend to examine the details of this negotiation, because it has been amply discussed by two political exiles from Nicaragua, Drs. Espinoza and Irias. Suffice it to say that it is the most ruinous negotiation ever carried out in any country at any time, as everybody who goes to the trouble of reading this Contract will have to affirm.

These Castrillo Contracts contain the clause that their validity depends on a ratification by the Senate of the United States, this being, in fact, the basis for all these understandings, excepting an advance loan of a million and a half to be made on the condition of delivery of the custom houses to American collectors.

We Central Americans were confident that this transaction would never take place and be carried out, because we were sure that the American Senate would never sanction such a monstrous proposition; but, undoubtedly with a view to compelling this high legislative body into a ratification, his "anticipated loan" clause was inserted, which permitted Secretary Knox to begin trying out his system in Central America. But something more scandalous was committed. Knox, no doubt, thinking that Nicaragua might still escape him, and that too many resources were still left the country to make an escape good, forced an additional loan contract on this country to the amount of Seven Hundred Fifty Thousand Dollars, taking in guaranty the National Railroad and river and lake steamers, on conditions which make these national properties appear to have been almost given away. It is but natural to suppose that with the ingress of such large sums of money, the Nicaraguan Government should, at least in the beginning, have been in comfortable monetary circumstances, and the country in a favorable economic condition, but the truth is that never in the history of that country has the treasury been emptier than then, nor has the poverty of the masses ever been so noticeable, and the stagnation of commerce and progress more pronounced. The reason for this is clear; of all these sums that were apparently being loaned nothing reached the public treasuries of Nicaragua, and of the resources derived from

the Custom Houses of the country, but a very small percentage has been turned over by the American collectors to the government.

When the "Knox-Castrillo" Convention was submitted to a Committee of the Senate, although a final decision was not possible on account of lack of majority, it was very evident that the Committee was not in favor of this proposition, and it could plainly be seen that the Senate would never ratify the treaty, notwithstanding the new American interests created *ad hoc,* and in such an unjust and arbitrary way.

No doubt, the group of financiers received assurances from the State Department that their interests would be protected at all costs, whereupon the bankers resolved to retain in its totality the sum collected through the various fiscal agents, thus openly violating the agreement, and reducing the Nicaraguan Government to the most miserable existence. In spite of this, or, perhaps, for this very reason, the government delivered into the hands of the banking syndicate the National Railroad and steamers, in the hope that for this consideration, some part of the money collected might be turned into the empty treasury of the country, begging for a gift, and this will have to be repeated, or the government will not be able to exist, depending as it does on the mercy of its *protectors.*

Knox's avowed purpose, the rehabilitation of Nicaragua's foreign credit, has not materialized either. Formerly Nicaragua had always succeeded in paying strict attention, and with relative regularity, to its foreign loan; but since this new financial protectorate has been imposed on Nicaragua, no attention whatever has been paid to living up to its obligations with the foreign creditors of the country, who are numerous, and among whom there are some Americans who are not enjoying the special favor of the State Department, and who, therefore, are deploring the change that has taken place.

The question arises *"Has peace been assured that country in exchange for all the evils it has suffered?"* We shall look into this.

It was easily to be seen, in Nicaragua as well as abroad, that the election of General Mena, brought about by the National Assembly, was not looked upon with favor by the State Department, the reason given being that this election was not in conformity with the Dawson pact, and at the same time letting it be understood that

the favorite of the State Department was the actual President, Adolfo Diaz, who, it is believed (which supposition was justified by the events which later took place), was encouraged by the American Minister to relieve General Mena from his post as Minister of War, which position Mena had secured for himself through the favoritism of a previous American minister. No doubt, this minister assured Diaz of the support of the American Government in case difficulties should arise, which caused, or was at least the occasion, of the last revolution in Nicaragua.

Mena had the support of the armed forces in the country. The greater part of all the officers in the army were his creations, and it was notoriously known that Mena was the real power in the government.

It is to be presumed that Knox was convinced that his favored candidate could not succeed himself through the vote of a public election, and in order that Mena's advantage of the control of the army might be counterbalanced, and to ignore public opinion as represented by the Liberal Party, a civil war was necessary, in which Diaz was to be victorious, aided by outside support. Had the State Department wished to avoid the loss of life in Nicaragua of the last two revolutions, it could easily have done so by disembarking armed forces and by the military occupation of the most important strategic points throughout the country, as it has done lately.

However, the State Department proceeded in a directly opposite way. The removal of General Mena from the Ministry of War, advised by the American Minister, was a step which had to bring the results which were presently realized. Mena, having in his possession most of the armament in the country, placed all that he could in the hands of his followers, and then, securing the help of the Liberals from the eastern part of the country, he succeeded in bringing an army of volunteers together, superior in numbers and quality to the forces Diaz could muster against him. Mena succeeded in a very short time in seriously menacing the capital, and in taking a good many important towns.

Public sentiment was from the very beginning in favor of the uprising, because the government of Diaz, which never had enjoyed popular favor, became positively hated, and unpopular from the very moment it entered upon the loan negotiations, which meant the sell-

ing of the country. But the uprising against Diaz's government did not spread over the country until the Diaz forces became reduced to Managua, and, no doubt, the capital would have fallen into the hands of the revolution, had it not been for the defense for the presidential palace by American marines. It was then that the masses in Leon, who had up to then remained passive, rose up in arms as one man, and attacked the government garrison, which was annihilated. They also decimated the armed expedition sent to subjugate them, and recalled to the country some of the exiled leaders, whose orders for an uprising they had not expected. Only a few days elapsed before the government troops were concentrated at, and reduced to the capital, Managua, and to parts of the Departments Rivas and Chontales, and those ports which had been occupied and held for the government by American marines.

The material support thus given the Diaz cause by the one hundred marines was not so great as the moral prestige it gave it, and naturally it caused a great deal of demoralization among the ranks of the assailants. Even in those moments, the State Department could have avoided further bloodshed by declaring itself openly, and announcing irrevocably that the Government of the United States had resolved to use, if necessary, armed force to put down the revolution, as it did later on, but this course was not pursued, and it was given out that armed intervention had been resorted to solely for the purpose of protecting the lives and property of American citizens comprising in the property interests the Nicaraguan National Railroad lines and steamers, which were undisputed Nicaraguan property, but which had been delivered into the hands of the American speculators a few days previously and in a great hurry, very likely in anticipation of the revolutionary movement to be provoked.

Admiral Sutherland declared expressly that if the railroad and steamship lines were returned to him by the revolutionists, he would observe a strict neutrality, and that he would abstain from transporting either troops or war supplies of either belligerents, thus obtaining control of both railroad and steamers, without any resistance having been offered. However, once in possession of the railroad lines and stations, and the American forces having established themselves firmly in protected positions along these lines,

Sutherland invented the pretext of having to go to the rescue of a French school for girls who were perishing from hunger. All of this was pure fabrication, as there were no pupils at that school except native children, who had the protection and support of their parents or guardians, and who were suffering no greater hardships than any of the other residents of Granada. A considerable force entrained in Managua for Granada and when this force was deemed sufficient in the stronghold of Mena, the latter was asked to surrender, having been told that in case of his noncompliance, armed force would be used against him, and that no quarter would be given the vanquished, whereupon Mena surrendered without having offered resistance.

Admiral Sutherland tried these tactics with General (Doctor) Benjamin Zeledon, but this leader, being young and a valiant patriot, although convinced that he would be routed, and perhaps lose his life, resolved to defend the honor of Nicaragua, and refused to surrender.

The American forces, after the fortifications protecting Masaya had been attacked ineffectively by the Diaz forces for three days, started to shell the Barranca Forts, and, having silenced the revolutionary fire, took the positions by storm. A simultaneous attack was made by the so-called Diaz Government forces upon the town of Masaya, nearby, which was captured a few hours later than Barranca. Zeledon, although wounded, succeeded in escaping, but was overtaken and put to death the same day. This military action of the American landing forces cost the lives of four marines and one hundred Nicaraguan government dead, besides a proportionate number of wounded, it being unknown to us, up to the present, what losses the revolutionists suffered.

Leon and some other towns in the North were still in the hands of the revolutionists, although suffering for lack of war supplies. Admiral Sutherland then demanded the surrender of all the revolutionary leaders, and these, convinced of the impossibility of success against the American invading forces, and in order to avoid further bloodshed, surrendered; but the masses, highly inflamed by the injustice committed against their country, tried to offer resistance. Unorganized as they were, the machine guns of the American marines were turned upon them. A similar incident

had taken place in Chichigalpa. From the American engagements resulted a total loss of eleven marines killed and a larger number of these wounded, while, as published in the press of the country, there were hundreds of Nicaraguan victims, killed and wounded, many of them non-combatants.

It seems that the State Department has tried to make the Senate appear responsible for its actions. This is indicated by certain press articles inspired by the State Department, and by a declaration made by Mr. Taft in a speech at Beverly, in which he asserted that the responsibility for the occurrence in Nicaragua rests with the Senate, and that the Senate alone is responsible for the fact that dollars have not substituted rifle bullets, because the Senate had not ratified the Loan Treaty which would have given the custom houses of the country into the hands of American collectors, thus doing away with the inducement and object of revolution. This declaration made by President Taft gives reason to suspect that he is not aware of a good many of the acts of his Secretary of State, for the fact is that the Nicaraguan custom houses had been under the administration of American collectors for many months before the revolution started, and it can be safely asserted that, instead of promoting peace in this country, as was claimed for "Dollar Diplomacy," this delivery of the country's resources to the American banking syndicate actually was the cause of the war.

Another attempted justification of armed intervention in Nicaragua was that the President *de facto* of Nicaragua himself had asked for it. Just as good a justification would be the claim that the Secretary of the State Department himself had asked for this intervention, for the President of Nicaragua was but a creature of Secretary Knox's, and a docile instrument in his hands.

We must recognize that, in the minds of those men who composed the government at Managua, there remained a sense of shame, demonstrated by the fact that, when reports were sent out to the other Central American countries relative to the victory won over the revolutionists at Masaya, no mention was made of the fact that this victory was gained through the co-operation of the American marines. It is evident that the government officials at Managua must have been assured of the consent of the American Minister to ignore the part of the American marines in the

"glorious triumph," or else they would not have dared to do so. But even this false sense of shame was lost when the Secretary of Foreign Relations at Managua expressed officially the regrets of the Nicaraguan nation to the government and people of the United States for the loss of the marines whose lives were sacrificed in engagements against the insurgents, not having, indeed, a single word to say in honor of, or in sympathy with, the hundreds of Nicaraguans who lost their lives in these same engagements.

Another excuse the State Department gave for its intervention in Nicaragua was that the city of Managua had been bombarded by the revolutionists, in spite of the fact that Managua was a defenseless place, and that the lives of many non-combatants had been lost in consequence. The truth is that Managua is not a defenseless town, since it is protected by the fortifications on Tiscapa Hill, which, by the way, constitute the strongest fortification in all Nicaragua. Moreover, the government had at this time almost all the troops at its disposition concentrated here.

If the State Department thought that, according to International law, it had a right to prevent the bombardment of the town, it should have compelled the Nicaraguan government to have its forces meet the revolutionists on a distant battlefield, where it then would have been decided who was entitled to the occupation of the capital, instead of ostentatiously pretending (for which there is no precedent in known history) that it was because of the risk to non-combatants that they had determined to prevent one of the contending armies from a decisive victory through the capture of the best stronghold of the enemy. Had the State Department taken this just and impartial, though arbitrary, stand, it might have meant an immediate settlement of all differences, and a termination of the war right there and then. However, in such a proceeding, there was the danger that the State Department would have to resign itself to seeing the revolution victorious, a victory which nobody could question for a moment, and would have had to content itself with seeing the people of the country overthrow a treacherous government that had been the protegé of the State Department, and the edifice of "Dollar Diplomacy," erected at so high a cost, crumble down into nothingness. If the State Department intended to uphold its policy toward Nicaragua, it could not act

otherwise than it did, and to show clearly its partiality, it went so far as to order the American forces to co-operate in the bombardment of Masaya, and threatened the towns of Granada and Leon with a similar fate, none of them so well protected as Managua, without taking into consideration the danger to the non-combatants.

Another pretext of the State Department for its intervention was the excesses said to have been committed by the revolutionists. Whenever the stories of such excesses were related in the press, emanating frequently from official sources in Washington, in most cases such accounts were fabrications or intentional misrepresentations in order to predispose public opinion in the United States toward armed intervention in Nicaragua, long beforehand decided upon by the State Department. It is undeniable that some abuses may have been committed by the revolutionary forces, but it is notoriously known that the conduct of the so-called government troops was far more to be condemned. We have before us proofs which entitle us to the assertion that, during no civil war, the United States not excepted, was there ever less harm done to lives and property of non-combatants, with especial reference to the foreigners in Nicaragua, than in this last revolution.

If the excesses committed in Nicaragua by revolutionists had been a justification for intervention, and not a simple pretext, the State Department should have, long ago, and with much more right, used force to intervene in Mexico, as has been pointed out repeatedly by the press of the United States. But Mexico is not, like Nicaragua, a poor and feeble country, nor are there at the head of the government or of the revolution in Mexico men who would ask for intervention, and thus become traitors to their own country. An intervention in Mexico would mean an international affair of very grave consequences to the United States, and a war that would cost the United States tens of thousands of soldiers and very likely hundreds of millions of dollars. It would mean a war of conquest, and, to retain the territory acquired, a powerful army of occupation for more than two generations.

If all the governments of Central America had lived up to their duty, proving Central American solidarity, by at least voicing a word of protest to satisfy public opinion, so clearly manifested against any foreign invasion, perhaps this attitude of Central America would have caused Mr. Knox to pursue the same prudent policy

with Nicaragua as that pursued with Mexico. But no doubt the Presidents were counseled to refrain from making demonstrations by the fear with which Mr. Knox has succeeded in inspiring them. It is this fear of Mr. Knox which caused some of these Presidents to repress public demonstrations, as well as the press, and to imprison the writers who had assumed the duty of giving voice to the indignation felt by the masses; and, what is more curious yet, in some cases it was even forbidden to reproduce manifestations of protest originated and published in the United States by patriotic Central Americans, as well as Anglo-Americans, lovers of justice.

After all that has happened, to explain its inconsequence, the State Department insists that it has not fomented war in Nicaragua, and that the American forces were sent to Nicaragua solely for the purpose of protecting the lives and interests of Americans, although the State Department cannot now, nor can it ever, prove that there was a single instance where a foreigner had suffered in person or property, and it is evident that the State Department, on the pretense of an imaginary danger, has sacrificed the lives of those marines who were killed in Nicaragua to "Dollar Diplomacy."

The State Department's intervention in this last revolution in Nicaragua has caused death and suffering to thousands, for, without this intervention, the revolution would have been victorious in a few days and the civil strife would have come to an end; but worse than that for the United States, it has resulted in the depreciation of the American army in the estimation of all Latin America, who saw these American soldiers, considered to be in their own country the defenders of law and liberty, converted into tools of tyranny and oppression in Nicaragua.

Does, perhaps, Mr. Knox think that the success of the American arms in Nicaragua so easily obtained, is a matter of glory, instead of disgrace, to the American army? Mr. Knox must be satisfied with his labors, otherwise he would not have gone to the extreme that he did. He has kept the army of occupation in Nicaragua, not for the purpose of guaranteeing the *free* election of a President for the next term, but for the guaranty of the election of his protegé, Adolfo Diaz, and he has accomplished his aim, for, on the 2nd of November, under the reign of martial law, with the citizens terrorized by the bayonets of the American marines, the traitor Diaz was elected, supposedly without any opposition.

On the same day, the people were called to elect deputies, because Diaz, assuming dictatorial power in the country, and supported by the American government, had dissolved the National Assembly, which was the very same Assembly to which he owed that faint shadow of legality of his executive power, and also the same Assembly that declared Diaz' presidency ended when the last revolution broke out because of his treasonable attitude.

To give an idea of the electoral liberties enjoyed by the citizens of Nicaragua during the last election, we insert a copy of the message sent out by the Commander-in-General of the Nicaraguan Army, Emiliano Chamorro, which message was addressed to all military and civil authorities in the country, and in which all functionaries were incited to make certain the election of those candidates named by Chamorro, for the reason that these were the candidates chosen in conformity with the famous "Dawson Pact":

"ADMINISTRATIVE OFFICES,
"MANAGUA, October 25, 1:15 P. M.

"Commandants of Posts and District Prefects:

"I beg to advise you that we, the principal leaders of the Revolution of October, met, and in order to comply with the Dawson Pact have in common accord designated as the candidates of the Conservative Party for the first constitutional period:

"Adolfo Diaz for President;

"Fernando Zolorzano for Vice-President.

"I take pleasure in acquainting you with this fact so that you may urge our friends and *religious fellow-believers* to exert the necessary efforts at the polls to accomplish the triumph of the before mentioned candidates.

"With all consideration, I am

"Affectionately,
"EMILIANO CHAMORRO."

This same Chamorro addressed a telegram to the President of Honduras, of which we herewith insert a copy. This telegram was intercepted at Leon, as stated in "The Daily News" of Salvador, under date of September 4th, which is our source of information in this particular instance. This telegram says:

"We have to trust in the final outcome. We are *counting on the support of the United States,* who will not delay in making their power felt by the Liberals and the other enemies of our cause."

Therefore, if we were lacking other proofs of the criminal conspiracy between those in power in Nicaragua and the foreign invaders, this telegram would be sufficient proof; but there is a document existent which will pass into the history of American diplomacy as one of the most scandalous proofs of the abuse of a weak country by the powerful government of the United States, equalled only by that Note of Mr. Knox's to which we have already referred.

The document we allude to is a note addressed by the American Minister in Nicaragua, Mr. Weitzel, to the Secretary of the Ministry of Foreign Relations in Managua, a copy of which we attach. (See Addenda "G.")

We make mention of this document here, because it demonstrates that the last election in Nicaragua was a farce, and might be called ridiculous were it not that the sanguinary events preceding it command seriousness. *This has been a farce in which the State Department participated directly, in spite of the fact that it pretends to be desirous of showing Latin America what true republicanism is.* Mr. Weitzel say, among other things: "By repudiating Zelaya, whose regime of barbarism and corruption was put at an end by the Nicaraguans themselves, after a sanguinary war, the United States government condemned, not only the individual, but the whole system, and it could not possibly tolerate any movement in Nicaragua that has in view a re-establishment of this destructive regime. The government of the United States will, therefore, oppose any attempt at the restoration of Zalayism, and will give its efficient moral support to the cause of good government in Nicaragua, legally constituted, and resulting in benefit to the Nicaraguan people, whom it has long been the aim of the United States government to aid in its endeavors for peace and prosperity, under a benevolent constitutional government of law and order."

As what Weitzel terms Zelayism, or more accurately speaking, *not* Diazism, would have re-established itself in Nicaragua, beyond all doubt, through a FREE election,—it was to the interests of the invading government, or, rather, the State Department, that no President should be elected except its accomplice, Diaz.

This assertion of Mr. Weitzel has been precisely the hobby horse of Mr. Knox's for the last couple of years to provoke disturbances in Central America. To prove the correctness of our opinion we propose to go into details.

The State Department has stated that it not only condemned Zelaya as an individual, but his system of government as well. We shall not discuss whether the State Department had a right to judge the executive of an independent country, as we have already expressed our views on this question, but since it claims to have condemned the "system" it was but natural to expect that the State Department would use every endeavor to secure in the new government in Nicaragua, its own creation, a "model republican government," a government of administrative honesty, and of marked patriotism; nobody could have expected to see the State Department encouraging with its protection this new government in Nicaragua in committing outrages against the persons and property of its citizen—in systematic robbery, and the vilest of treasons.

However, it is plainly to be seen that this kind of a government had to be the choice of the State Department, if it wanted to see its financial policy in Nicaragua succeed, for no honest lawabiding and patriotic government would have lent itself to further the intentions of Dollar Diplomacy in Nicaragua. Strange to say, the State Department was very explicit in denouncing the despotism of Zelaya in Nicaragua, but has shown a marked indifference to such rule in other countries, as for instance, Guatemala, where Estrada Cabrera has been reigning supreme for the last fourteen years, a brutal despot and the scourge of his people, a blot on civilization, who has caused not only his own country to suffer under his tyrannical rule, but other Central American countries as well. We have made the statement already that it was Estrada Cabrera who furnished the sinews of war for the last two revolutions in Honduras, and he did likewise for the Estrada revolution in Nicaragua, and although the State Department has denounced Zelaya as the perturber of peace in Central America, and as a violator of the Washington Convention, it has never taken action against Cabrera, or tried to check his plans, as it was quick to do when Zelaya was concerned.

Mr. Weitzel expressed and repeated declarations made by the State Department and by the President, Mr. Taft himself, to the effect that the United States government would not tolerate a restoration of the Zelaya regime in Nicaragua, which they term "Zelayism." What does Mr. Weitzel, the State Department, or Mr. Taft really mean? Either one would find it difficult to explain, for none of them know the history of Nicaragua, the actual state of affairs there, the character of the masses and its leaders and politicians, sufficiently well to set up a criterion and it is this ignorance that explains the many mistakes and abuses committed by the State Department.

Zelaya, like all despotic rulers, never succeeded in forming a distinctive political party. All the employes of his government were subject to changes dictated solely by circumstances or by his caprice. When Zelaya abandoned his executive position, he would have been deprived by this act of all prestige had not the intervention of the United States contributed to make Zelaya a martyr to the autonomy of his country in the eyes of some people, which opinion would have been far more general had Zelaya chosen to fall fighting as a hero.

To stamp this last revolution in Nicaragua, "Zelayism" shows profound ignorance and bad faith. This last revolution was headed by Mena, one of the conspicuous leaders in the revolution against Zelaya and one of the five candidates of the Dawson Treaty, supported by a faction of the Conservative Party. Without any foreign (American) intervention, it is sure that the Liberal Party would have remained passive in its desire to see the factions of the opposite party fight it out among themselves, and to pursue, when the fight should be ended, the most advantageous course for themselves. But the intervention of the United States inflamed the masses among the Liberals, and without waiting for orders from their leaders, they crushed the forces of the Diaz government. This occurred principally in the departments of Leon and Chinandega, the same having *always* opposed Zelaya since 1896. Where, therefore, is the Zelayism of this last revolution?

It is a matter of surprise that a dignified government should embody in an official document utterances of the Secretary of State showing personal resentment and rage because of the opposition shown toward his *Dollar Diplomacy.*

And, we ask again, after all these abuses, after so many scandals, has peace been assured Nicaragua? Any foreigner who goes to the trouble of reading this article can answer this question just as well as Central Americans can. If such a thing is possible as that the government of the United States should intend to persist in its policy in Nicaragua, it would necessarily have to maintain there an "army of occupation," as is necessary in any conquered country. and which would be the only means of saving those traitors who sold Nicaragua from the just punishment, which the people will, no doubt, some day meet out to them.

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*To assist us in proving our assertions Periodical Publications reached us from Nicaragua, which bring the following:

PRECAUTION BEATS OSTENTATION.

Special to The American:

Managua, Nov. 13.—To-day at 7 a. m. the presidential train, composed of three cars, left here for Corinto. In the center car rode President Adolfo Diaz, Gen. Emiliano Chamorro, Minister Diego M. Chamorro, Dr. Carlos Cuadra Pasos and other friends of the administration. In front and rear were two cars carrying 100 American marines. The band was not taken, nor was the Guard of Honor, President Diaz being against any ostentation.

GUARD OF HONOR ABOLISHED.

Special to The American:

Managua, Nov. 13.—In accordance with the decree of the 9th instant, the Guard of Honor to the President of the Republic was, for the time being, abolished.

ONLY 400 MARINES REMAIN.

Special to The American:

Managua, Nov. 12.—On Friday, the fifteenth instant, Admiral Southerland will leave for Panama with the American forces, leaving only four hundred marines, 300 of whom will be stationed at Campo de Marte and 100 at Leon.

Nov. 17, 1912.

What a sorrowful cast for the American Marines! We see them converted into Body Guards of a tyrannical usurper, kept there for the purpose of insuring for this man an immunity from the wrath and justified indignation of the masses of his country. Never, perhaps, have the taxpayers of the United States even dreamt of the possibility that their money should be put to the use of keeping this man in power and to impose a Dictatorship on the people of a free country and to oppress a now free sister Republic.

Those of the Nicaraguan Citizens who were able to do so, have protested against the Coup d'Etat—against the Dictatorship and Usurpation of the Executive Power by a traitor, abstaining from giving their vote all those who had the valor to challenge the soldiers of the Despot, (converted into Electors and Agents), and who had refused to be accomplices in an Electoral Farce, which can justly be termed a Farce, even if there were no more reasons than the fact that the People were convened to cast their vote on the 18th of October, and that the real Election took place on the 2nd of November, or a lapse of time of only a fortnight, which was insufficient to even carry the news of the Decree to some of the Departments of the Republic.

We attach a fragment of the Protest which was published in Bluefields and another one with the Decree of Dictatorship. (Addenda I.)

We believe *that a peaceful solution is possible, but we do not think that the moment and the circumstances are opportune for a suggestion on our part.*

El Salvador.

We do not know whether any loan propositions were ever made to this country, but most likely not for the reason that the foreign debt is relatively small as compared with the natural resources of this country.

This foreign debt, caused, the same as the enormous internal debt, by the corruptness and inability of previous presidents, has not affected in any way that could not be remedied the country's sources of wealth, and, no doubt, Salvador will be able to work out its own salvation by the means of securing for itself a series of honest executives. But this does not necessarily mean that Salvador would not have to feel the weight of Dollar Diplomacy, should this come to be the fixed system of the United States toward the Central American countries. Salvador would be the last one to suffer this evil, but could not escape it, as some pretext, however weak, would be found for compelling the Salvadorian government to make the sacrifice of the country's autonomy.

The people of Salvador have realized the danger and their patriotism found expression in protests against the latest armed intervention in Nicaragua. Salvador's government, presided over by Dr. Manuel E. Araujo, knew its duty, as proven by documents that we have before us, seconding the public clamor of its masses. We cannot resist the desire to publish cables which were exchanged between President Taft and President Araujo, and we attach same hereto. (Addenda "H.")

The cable clearly demonstrates:

1. Mr. Araujo was sure that peace could be brought about if President Diaz, of Nicaragua, would deposit the executive power in Mr. Salvador Caledron, to which proposition President Diaz had already given his approval, but which, without doubt, President Taft did not permit to be consummated, as is to be deducted from the answer he sent Mr. Araujo.

2. Mr. Arajuo was anxious to bring about peace in Nicaragua through the mediation of the other Central American republics, it

being understood that should this mediation prove fruitless, an armed intervention by these Central American republics was to be resorted to in order to avoid such an action on the part of the United States. This would have been to the advantage of all the Central American countries, because this coming together for a common purpose would have offered opportunity for further steps towards a union of all the Central American republics into one "Federation," the best means of protection against the common danger.

Mr. Taft objected to this proposition on the ground that his government, being neutral, and, therefore, better fitted, should try to bring about the termination of the civil war in Nicaragua. (How this impartiality or neutrality was afterwards demonstrated we have already related.) He supported this opinion of his by calling attention to the Washington Convention, which, by the way, prohibits all interventions in civil wars, and which Convention Taft said it was his duty to see respected, at the same time, reserving for himself the right to violate it.

3. The State Department had explained to representatives of Salvador at Washington and Managua that the landing of marines in Nicaragua was solely due to the desire of the State Department in Washington to protect the American Legation, Consulates and other American interests, but that *no* intervention in the internal strife was intended. These assurances were not lived up to, as we have previously related, which caused Mr. Araujo to formulate representations which, although couched in very suave and civil terms, might still have prevented foreign armed forces from spilling the blood of Nicaraguans on their own soil.

4. That Mr. Taft still pretends to have proved his impartiality is shown in his opinion of the revolution, which he declared a revolt without a principle and comparable to Zelaya's regime, which he denounced in very bitter terms, also attacking the revolution most passionately, at the same time, proclaiming the legality of the Diaz government, although this government is a defacto government only, having no more shadow of legality than the Assembly appointment, which he received from the very same Assembly that declared Diaz deposed from his executive position.

It afforded us much pleasure to see an official pamphlet published

recently in proof of the correct and patriotic stand taken by the President of El Salvador, who, with the President of Honduras, had been accused of sending to the Diaz government arms and munitions at a time when these were most needed, so as to enable the government to offer some resistance, if feeble, to the formidable onslaught of the revolution, all of which would have resulted in prolonging the strife, and in making Araujo an accomplice in the treachery to Central America.

These publications prove that Mr. Araujo saw from the very beginning the perilous position of Central America, and that he endeavored to arrest the danger, which does not coincide with the grave accusations made against him; and we shall be still more pleased when Mr. Araujo, as soon as he is informed of these accusations, shall offer direct and conclusive proofs of their fallacy in order that nothing but the truth shall be handed down in the history of the country.

The Washington Treaties and Conventions.

The Central American Peace Conference took place in Washington, November, 1907, its objects being the termination of differences between several of the states of Central America, and the establishment of a firm basis for the assurance of interstate peace. To obtain these noble ends, President Roosevelt generously offered the hospitality of his country, and with Mexico, the good and disinterested offices of his government as far as this should be possible. That this Conference did not give any practical results was not the fault of the mediating governments, but rather due to the narrowmindedness of the presidents there represented. The delegates of Honduras and Nicaragua proposed, as a remedy for all troubles in Central America, the re-establishment of the Union of the five nations in one, declaring at the same time, that they did not have any confidence in any other means so far proposed or that could be thereafter proposed. This proposition was rejected by the majority, the other three delegations, as were other propositions with a tendency to restrict the absolute power with which the Central American presidents have ruled their countries.

As some of the articles agreed upon in the Washington Peace Conference are of importance in reference to our purpose, we shall copy some of these.

Article II of the General Treaty says:

"Desiring to secure in the Republics of Central America the benefits which are derived from the maintenance of their institutions, and to contribute at the same time in strengthening their stability and the prestige with which they ought to be surrounded, it is declared that every disposition or measure which may tend to alter the constitutional organization in any of them is to be deemed a menace to the peace of said Republics."

The additional Convention is composed of three articles which say:

Article I. "The Governments of the High Contracting Parties shall not recognize any other Government which may come into power in any of the five Republics as a consequence of a COUP D'ETAT, or of a revolution against the recognized Government, so long as the freely elected representatives of the people thereof, have not constitutionally reorganized the country."

Article II. "No Government of Central America shall, in case of civil war, intervene in favor of or against the Government of the country where the struggle takes place."

Article III. "The Governments of Central America, in the first place, are recommended to endeavor to bring about, by the means at their command, a constitutional reform in the sense of prohibiting the re-election of the President of a Republic, where such prohibition does not exist; secondly, to adopt all measures necessary to effect a complete guarantee of the principles of alteration in power."

In a convention for the establishment of a Central American Court of Justice is contained an "Annexed Article," which says:

"Annexed Article. The Central American Court of Justice shall also have jurisdiction over the conflicts which may arise between the Legislative, Executive and Judicial Powers, and when, as a matter of fact, the judicial decisions and resolutions of the National Congress are not respected."

Although we have read and reread the Treaty and the Conventions referred to, we do not find a single article, a single word, that justifies the ostentatious pretensions of the State Department and of President Taft himself. (We refer to the cablegram addressed to the President of Salvador, dated September 5th, 1912),

that the United States Government has the right, by these same Conventions, to compel the contracting parties to live up to their obligations.

The preliminary protocol, which was the origin of the Conference, contains Article II, which says:

"Their excellencies, the Presidents of the Central American Republics, will invite their excellencies, the Presidents of the United States of America, and of the United States of Mexico, if it may please them, to appoint their respective representatives, in order that these representatives, *in a purely amicable capacity, may* render their good and *impartial* offices in furtherance of the results aimed at by this Conference."

From what we have related it is clearly deducted that no right to intervene was granted the United States nor Mexico (who, by the way, has never pretended to have such right) but, quite to the contrary, the General Treaty we have related expressly annuls all previous Central American Conventions, including the one which took place aboard the "Marblehead," and which was ratified by the Convention of San Jose, Costa Rica, between Guatemala, Salvador and Honduras. Those annulled conventions gave the Presidents of the United States and Mexico the right to officiate as permanent arbitrators in all differences between Central American countries, and in those days they could have pretended to intervene in order to prevent a resort to arms on the ground that they had a right to prevent wars before any harm could be done that might prove beyond reparation.

Under the present Treaty all that the mediating governments could and ought to do is to continue tendering their good offices in order that the conventions providing for their same good offices and amicable assistance are obeyed and lived up to.

Let us examine whether the government in Washington has in one way or another with or without a right, ever attempted to influence the Central American presidents so that they might comply with the Treaties, as is claimed by the State Department.

Article III, preinserted in the Additional Convention, declares one of the principles of International Law for Central America to be the alternability of the executive power. This principle, although a simple recommendation resulting from this Conference,

was accepted by the presidents, and ratified by the congresses of all Central American countries. After this Convention had been made valid, Mr. Estrada Cabrera had himself re-elected in Guatemala, and we are not aware that the State Department has ever even reminded Estrada Cabrera of his obligation to deliver to a successor who might be elected in a free election the Presidency held by him. On the contrary, Estrada Cabrera has always enjoyed the favor of the State Department, while Zelaya, who was re-elected previous to the Convention, was denounced and pursued in the manner already related.

In some of the Central American countries despotism and tyranny have reigned supreme, but never have we heard that the State Department undertook to improve conditions in order to prevent popular uprisings, which invariably have had their source in the lack of guaranty of public safety, or even of those rights necessary for the preservation of life. The State Department might have intervened on the ground that Article II of the General Treaty, already cited by us, gave it a right to declare infringements on the Constitutional Laws a menace to Central American peace and well being. But with the exception of Zelaya, unquestionably the most despotic Presidents of Central America were the ones to enjoy the confidence and protection of the State Department.

The State Department might, based upon Article II of the Additional Convention (which article we have cited herein before), have cautioned the other Central American governments not to recognize the Nicaraguan government created by the revolution of 1910 (which government is in existence to-day), for the reason that said government had not been reorganized constitutionally and that no elections had taken place (until the one which was effected November 2nd, and which we have demonstrated already did not merit the title of an election.) But far from doing so, the State Department hastened to recognize this illegal government and to give it the support of the United States government to the extent of protecting it by armed forces against an uprising of its own masses; while it refused to recognize the government of Dr. Madriz, which was legally constituted, influencing Guatemala and Salvador to refuse their recognition also.

All the efforts of the Central American Court of Justice during

the last two revolutions in Nicaragua to re-establish peace by means of mediation were unsuccessful, principally because one of the factions was assured of the support of the State Department carried to the extremes we have already criticised.

Had it been the desire of the State Department to preserve the dignity of this Court, instead of being the direct cause of its complete failure, it would have assisted this Court in its efforts to bring about peace; the more so because an annexed article of the Convention, which provides for the establishment of this Court, gives this Court the right to intervene in differences arising among the High Departments of the government, and the American government might have used its good offices in having the election of Mena, since this election was considered illegal, or the dismissal of President Diaz by the same Assembly that elected Mena, submitted to this Court, thereby terminating all civil strife in Nicaragua at once.

Although Article II of the Additional Convention prohibits the Central American governments from intervening for or against any Central American government in case of a revolution or civil war, the American Government has placidly allowed, if it did not instigate, the government of Guatemala to take side with and assist the revolutions in Honduras and Nicaragua. The State Department has done even worse than this. Claiming for itself a right that was denied all contracting parties in the Washington Conventions, the right to intervene directly or indirectly, for or against, in revolutions in Central America, the State Department went so far as to use armed force in putting down the last revolution and used these armed forces, not only against combatants, but even against unarmed citizens, all of which was committed with the Washington Treaties as a pretext, in scandalous violation of these very same treaties which the State Department has claimed to be defending.

We consider it very opportune to publish a communication sent by President Araujo to the Central American Court of Justice relative to the last revolution in Nicaragua and his true interpretation of the Washington Conventions, which opinion is all the more interesting, because it voices the authorized idea of an Executive of one of the Central American republics. His communication reads as follows:

"Five independent nations, none having relinquished their rights to an autonomous government, convened upon treaties which tend to promote effective relations of peace, commerce and good will, and the governments of the United States and Mexico, having been represented at this Conference through notable representatives, were parties to the deliberations which preceded the final conclusions arrived at in these Intrenational treaties ratified at Washington, thanks to a generous and disinterested offer of hospitality of the Ex-President of the United States. However, it is noteworthy that neither in the text of these documents, the preliminary Protocol, nor in the records of the Conference, are these great governments of the United States of America, and Mexico, conceded any rights or obligations that could be traced to these Treaties convened upon by the Central American contracting parties. There is nothing in either the spirit nor the wording of these treaties that could be construed into a restriction of their rights of sovereignty, when these contain nothing but expressions of mutual admiration, respect and good will, obligating the contracting countries to submit their differences to the verdict of the Central American Court of Justice, which is purely Central American, and of which esteemed institution your Honor is the meritorious representative."

And now we shall conclude. We hope we have succeeded in demonstrating that "Dollar Diplomacy" is a great injustice and is the ruin of those countries in which it is pursued, at the same time endangering the prestige of the United States in the eyes of all Latin-America to the benefit of only a few privileged citizens of the United States. We Central Americans lack the means to relieve the situation and to resent this injustice, and for the moment we have to trust to the straightforwardness and honesty of the American people, and the people's worthy representatives in Congress, and especially in the Senate, which is investigating this matter. We admire this great country, and we are far from believing that the people are responsible for the errors of a few of its public men in leading positions. We hope for justice to be done us, and for a revival of the Pan-American Fraternity, which will give peace, progress and liberty to all the nations of this continent.

JUAN LEETS.

New Orleans, November, 1912.

ADDENDA

ADDENDA A

MEMORANDUM OF MINISTER BROWN.

Under instructions from my government, which I have just received by telegraph, I have the honor and the pleasure to inform the Government of Honduras that the firm of J. P. Morgan & Co. has informed my government that they are prepared to agree in the arrangement of the foreign debt of Honduras, the delivery of the railway wharf of Puerto Cortes, and the advancement of a substantial amount for internal improvements which may be necessary, acquiring new bonds which must be duly secured.

Messrs. Morgan & Co. have notified my government that the Council of Foreign Bonholders had accepted the proposal of Morgan & Co., who now have control of the British and American securities, including the railway and wharf, and that the Council of Foreign Bondholders, acting in behalf of the holders of bonds, have informed the British Secretary of State for Foreign Affairs of the foregoing, and that the Secretary of State for Foreign Affairs having cordially approved the new project, has, by request of the Council of Bondholders, given notice to Minister Carden of the change in the situation.

I have instructions to manifest that if the Government of Honduras would send a special agent to the United States with full powers to negotiate with Morgan & Co., the Government of the United States would extend to him all facilities.

I beg to add that the Government of the United States feels itself happy to see, in the said proposals, the prospect of a good result and for a settlement upon a favorable basis for the amortization of the national debt, which would be for the prosperity, tranquility and national strength of Honduras.

(Signed) PHILIP BROWN,
American Minister to Honduras.

Tegucigalpa, July 17, 1909.

ADDENDA B

CABLEGRAMS.

TEGUCIGALPA, Dec. 10, 1910.

Paredes, Honduras Consulate, New York:

Accept agreement; sign agreement and return.

(Signed) DAVILA.

NEW YORK, Dec. 11, 1910.

President Davila, Tegucigalpa, Honduras:

Consult situation prominent people to decide destinies Republic.

(Signed) PAREDES.

CABLEGRAMS.

NEW YORK, Dec. 24, 1910.

President Davila, Tegucigalpa, Honduras:

I have refused to sign convention—American Protectorate—Santo Domingo plan. Complied with my duty. Present you my resignation. (Signed) PAREDES.

TEGUCIGALPA, Dec. 29, 1910.

Paredes, New York:

Country is on the verge of a disastrous civil war. Only the loan can save it. Think patriotically. Must make efforts to gain time. Loan will be made in spite of us. At least, we must try to avoid bloodshed to the Republic. I await details.

(Signed) DAVILA.

TEGUCIGALPA, Jan. 20, 1911.

Paredes, Honduras Consulate, New York:

Your resignation not accepted. Sign loan without delay. Government assumes all responsibility. Civil war appears to be formidable. Loan may avoid bloodshed and prepare beneficial evolution, preventing Bonilla coming to power. Subscribe contract this week. Answer. (Signed) DAVILA.

LETTER OF PRESIDENT DAVILLA TO MINISTER PAREDES.

TEGUCIGALPA, Jan. 12, 1911.

Minister of Honduras, General Juan E. Paredes, Consulado de Honduras, 66 Beaver Street, New York:

My Esteemed Friend—I am in receipt of yours of Nov. 28th and Dec. 5th.

Estrada Cabrera, who is the promoter of this war and that of August last year, has displayed a prodigious activity to produce the revolution, and all elements are conjoined against the Government, unjustly. To get out of these difficulties we take to fight hard.

The Government of Honduras was notified officially that if the

loan was not signed, it would be carried through at all hazards, in worse conditions for the Republic. Nevertheless, we said nothing, did not give any promises until we could receive your indications. The last proposition made by the bankers, which you transmitted by cable, we consider it as decisive, and for that reason we ordered you to sign and return.

The American Minister asked me for a copy of that cable, and I gave it to him. When you refused to sign the treaty at Washington, the disgust of the State Department raised to indignation.

(Signed) DAVILA.

TEGUCIGALPA, Jan. 27, 1911.

Paredes, Honduras Consulate, New York:

Ceiba has fallen. San Marcos, Colon, has also been taken by invasion from Nicaragua. The war, according to official declarations, took place on account of delay in signing the loan, notwithstanding promises made since Dec. 10th. War between factions which devastates the country, and the loan will be made by any means. Let us put one side our "amour propre" in order to avoid the ruin of Honduras. If you cannot sign, help Lazo. Let us work together in behalf of peace. (Signed) DAVILA.

ADDENDA C

Aid for Nicaragua Asked by Estrada—She will Never Thrive Without Our Effective Intervention, Says Ex-President—Urges a Protectorate—President Diaz Hopes for Our Help, He Declares—Blames Americans for Revolutions.

[New York Times, Sept. 10, 1912.]

In the course of an interview with a *Times* reporter yesterday, Ex-President Estrada, of Nicaragua, who is stopping at the Hotel St. George, Brooklyn, said that without the effective intervention of the United States warfare in Nicaragua would continue indefinitely, ruining the Central American country, and sooner or later involving the United States in trouble with England or Germany. Mr. Estrada, who declares that the presidency rightfully belongs to him, also brought grave charges against a number of Americans in Nicaragua, blaming them for present conditions there.

Mr. Estrada and his faithful henchman, General Moncada, are starting for Nicaragua early this week to support the government of President Diaz, in whose favor Mr. Estrada handed over the reins of the Chief Magistracy in 1911, in order to avert, so he says, war with the Conservative faction.

"I would like you, through the New York *Times,* to convey a few words to the American people," said Mr. Estrada. "It is succinctly this: Without the active help of the United States Government, Nicaragua will never thrive. She will be always the same."

"You mean a sort of American protectorate?" he was asked.

ARBITER FOR NICARAGUA.

"Yes," he answered without hesitation. "A protectorate along the lines exercised in Cuba and Panama, without, of course, impairing our sovereignty. We want the United States Government, whether it be Republican or Democrat, to keep an eye upon us, supervise our elections, and, in a word, become the arbiter and judge of our destinies. I speak in my name and in the name of President Diaz. My ideas are his, as well as those of the majority of the people of Nicaragua. It's the only way in which we can hope for peace and progress. I am still titular head of Nicaragua. I did not resign, as has been stated, but merely handed the government over to the Vice-President during my absence.

"For the last twenty years Nicaragua has been in the hands of a savage system of militarism. There are no real elections, everything is a farce, and everybody wants to be President and rule. The result is that the country has been and still is a seething pot of anarchy, which is gaining proportions every day.

"But it is not alone our people who brew all this trouble. They are the least responsible. I charge that the majority, if not all, of the revolutions in Nicaragua in recent years have been engineered and openly financed by American companies anxious to get concessions and monopolies from the government.

"Take the case of the Bluefields Steamship Company. Zelaya gave these people the exclusive monopoly for the navigation of the River Escondido and its affluents. When I reached the presidency I also found that exclusive concessions for the exploitation of the mining, liquor, tobacco, cattle, fishing and other national industries were in the hands of a few Americans and Germans.

Conspiracies on All Sides.

"What was the result? I found conspiracies were being hatched on all sides. Mena, my War Minister, was planning a revolution. The United Fruit Company, which was after a similar concession, a railroad, was pushing him all the time. I had positive proofs that he was going to start a revolution on May 14, 1911, so I arrested him on May 9. The Conservatives clamored for his release, and I handed over the presidency to Diaz to avert war, although I might have carried it on successfully, because I had the backing of 600 Liberals, who rallied around me at the time."

Continuing, Mr. Estrada said that Mena's revolution was being backed by the United Fruit Company and the partisans of Zelaya.

Mr. Estrada was frank enough to admit that the revolution headed by him which overthrew Zelaya had received financial aid from certain American companies established on the Atlantic coast of Nicaragua. He said these companies had contributed, off and on, something close to $1,000,000. The house of Joseph W. Beers was in for $200,000, and that of Samuel Weil for about $150,000.

ADDENDA D

The Secretary of State to the Nicaraguan Charge.

Department of State,

December 1, 1909.

Sir—Since the Washington Convention of 1907 it is notorious that President Zelaya has almost continuously kept Central America in tension or turmoil, that he has repeatedly and flagrantly violated the provisions of the conventions, and by a baleful influence upon Honduras, whose neutrality the conventions were to assure, has sought to discredit those sacred international obligations to the great detriment of Costa Rica, El Salvador and Guatemala, whose governments meanwhile appear to have been able patiently to strive for the loyal support of the engagements so solemnly undertaken at Washington under the auspices of the United States and of Mexico.

It is equally a matter of common knowledge that, under the regime of President Zelaya, republican institutions have ceased in Nicaragua to exist, except in name; that public opinion and the

press have been throttled; and that prison has been the reward of any tendency to real patriotism. My consideration for you personally impels me to abstain from unnecessary discussion of the painful details of a regime which unfortunately has been a blot upon the history of Nicaragua and a discourageemnt to a group of Republics whose aspirations need only the opportunity of free and honest government.

In view of the interests of the United States and of its relation to the Washington Convention, appeal against this situation has long since been made to this government by a majority of the Central American Republics. There is now added to the appeal, through the revolution, a great body of the Nicaraguan people. Two Americans who, this government is now convinced, were officers connected with the revolutionary forces, and therefore entitled to be dealt with according to the enlightened practice of civilized nations, have been killed by direct order of President Zelaya. Their execution is said to have been preceded by barbarous cruelties. The Consulate at Managua is now officially reported to have been menaced. There is thus a sinister culmination of an administration also characterized by a cruelty to its own citizens which has, until the recent outrage, found vent in the case of this country in a succession of petty annoyances and indignities which many months ago made it impossible to ask an American Minister longer to reside in Managua. From every point of view it has evidently become difficult for the United States further to delay more active response to the appeals so long made to its duty, to its citizens, to its dignity, to Central America and to civilization.

The Government of the United States is convinced that the revolution represents the ideals and the will of the majority of the Nicaraguan people more faithfully than does the Government of President Zelaya, and that its peaceable control is well-nigh as extensive as that hitherto so sternly attempted by the Government of Managua.

There is now added the fact, as officially reported from more than one quarter, that there are already indications of a rising in the Western provinces in favor of a presidential candidate intimately associated with the old regime. In this it is easy to see new elements tending toward a condition of anarchy which leaves, at a given time, no definite responsible source to which the Government of

the United States could look for reparation for the killing of Messrs. Cannon and Groce, or, indeed, for the protection which must be assured American citizens and American interests in Nicaragua.

In these circumstances the President no longer feels for the Government of President Zelaya that respect and confidence which would make it appropriate hereafter to maintain with it regular diplomatic relations, implying the will and the ability to respect and assure what is due from one State to another.

The Government of Nicaragua which you have hitherto represented is hereby notified, as will be also the leaders of the revolution, that *the Government of the United States will hold strictly accountable for the protection of American life and property the factions de facto in control of the Eastern and WESTERN portions of the Republic of Nicaragua.*

As for the reparation found due, after careful consideration, for the killing of Messrs. Groce and Cannon, the Government of the United States would be loath to impose upon the innocent people of Nicaragua a too heavy burden of expiating the acts of a regime forced upon them or to exact from a succeeding government, if it have quite different policies, the imposition of such a burden. Into the question of ultimate reparation there must enter the question of the existence at Managua of a government capable of responding to demands. There must enter also the question of how far it is possible to reach those actually responsible and those who perpetrated the tortures reported to have preceded the execution, if these be verified; and the question whether the government be one entirely disassociated from the present intolerable conditions and worthy to be trusted to make impossible a recurrence of such acts, in which case the President, as a friend of your country, as he is also of the other Republics of Central America, might be disposed to have indemnity confined to what was reasonably due the relatives of the deceased, and punitive only in so far as the punishment might fall where really due.

In pursuance of this policy, the Government of the United States will temporarily withhold its demand for reparation, in the meanwhile taking such steps as it deems wise and proper to protect American interests.

To insure the future protection of legitimate American interests, in consideration of the interests of the majority of the Central American Republics, and in the hope of making more effective the friendly offices exerted under the Washington Conventions, the Government of the United States reserves for further consideration at the proper time the question of stipulating also that the Constitutional Government of Nicaragua obligate itself by convention, for the benefit of all the governments concerned, as a guarantee for its future loyal support of the Washington Conventions and their peaceful and progressive aims.

From the foregoing it will be apparent to you that your office of Charge d'Affaires is at an end. I have the honor to enclose your passport, for use in case you desire to leave this country. I would add at the same time that, although your diplomatic quality is terminated, I shall be happy to receive you, as I shall be happy to receive the representative of the revolution, each as the unofficial channel of communication between the Government of the United States and the *de facto* authorities to whom I look for the protection of American interests pending the establishment in Nicaragua of a government with which the United States can maintain diplomatic relations.

Accept, sir, etc.,

(Signed) P. C. Knox.

ADDENDA E.

Message of President Madriz to President Taft, Regarding the Landing of Marines from the American Warships in Bluefields.

Campo de Marte, June 15, 1910.

His Excellency, President W. H. Taft, Washington:

Your Excellency will permit me to refer to certain acts relating to our civil war.

On the 27th of May last the forces of my government took the Bluff by assault, same being a strong position which defended Bluefields. The commander of our forces was instructed to proceed immediately and take the city, which had been evacuated, and

which would have terminated the campaign. This was frustrated by the attitude of the commander of the cruiser Paducah, who intimated to the commander of our forces that he would use his force to oppose the taking of the city, and actually landed his marines and occupied the city. This action assured the revolution a base for its operations, and enabled it to withdraw all of its forces from the city to oppose our single column, and thus was able to frustrate a combination which had been carefully prepared and whose success was assured.

This government purchased in New Orleans the British steamship Venus, to-day called "Maximo Jerez," which sailed for San Juan del Norte with clearance from the American authorities after exhibiting *bona fide* all of the elements of war which she had aboard, and which were considered articles of free commerce. In San Juan del Norte her nationality was changed to that of Nicaragua, and she was armed for war and dispatched to blockade Bluefields. The blockade had for its object the prevention of the revolution from receiving, as it had done before, arms and provisions from New Orleans.

The government of your Excellency has denied the right of our vessels to blockade the port and prevent American vessels entering, and thus has kept open to the revolution its source of supply—New Orleans.

The taking of the Bluff gave my government possession of the Bluefields Customhouse, and we expected to deprive the revolution of the revenues which this customhouse produces; but the government of your Excellency has declared that the revenues of this customhouse should be paid to the revolution, and this has, in a great measure, annulled the victory attained by our forces at the Bluff.

The government of your Excellency has denied our right to prevent American vessels from passing in front of the Bluff on their way to the customhouse established by the revolution at Schooner Key, on the Escondido River, notwithstanding the decree of my government closing the Port of Bluefields and prohibiting this traffic, as a necessary measure of defense and pacification.

The commander of the Paducah threatened the commander of the Maximo Jerez, stating that he would fire on his vessel and sink her if our forces attempted to attack Bluefields.

The chief of our forces at the Bluff having noticed that certain boats in the service of the revolution were using the American flag to pass in front of our forts without detention, notified the commander of the Paducah of his intention to stop this free traffic of these boats in front of his lines. The commanders of the Paducah and Dubuque replied that they would use their cannon on him to enforce respect due American commerce, even if it consisted of arms and ammunition for the revolution, and that one shot fired on such boats would be considered a declaration of war against the United States.

Lastly, I know that in Bluefields, although under protection of American marines, an attack is being prepared against our position at the Bluff and Pearl Lagoon. The intentions of the commander of the Paducah prevent us anticipating the enemy's actions, which we have a right to do as a legitimate defense.

It is my duty to state to your Excellency, frankly, that I cannot find any way to reconcile the action herein enumerated with the principles of neutrality proclaimed by the law of nations; and having full confidence in the high character of the Government of the United States, I have no hesitancy in respectfully asking your Excellency to rectify the orders given to your naval authorities in Bluefields.

Thus can this government easily terminate a bloody and isolated revolt, which in itself is without life, but which is working towards the ruin of Nicaragua.

JOSE MADRIZ,
President.

ADDENDA E

(Copy.)

WASHINGTON, June 19, 1910.

Minister of Foreign Affairs:

The policy of the United States remains as set forth in the Secretary of State's letter of December first, 1909, to Minister Rodriguez, then Charge d'Affaires, whereby relations with the Zelaya Government were broken off. That letter and statements of the consistent applications of the same policy to conditions as they arose were duly published.

As to the statements made in the telegram of Doctor Madriz to the President, the Government of the United States took only the customary step of prohibiting bombardment or fighting by either faction within the unfortified and ungarrisoned commercial city of Bluefields, thus protecting the preponderating American and other foreign interests, just as the British commander had done in case of Greytown, where there were British interests. The Government of the United States has acknowledged the right of each faction to maintain a blockade, but has refused to permit vessels, illegally and clandestinely fitted out in American waters, to interfere with American commerce.

The Government of the United States simply insists that each faction shall collect duties only for the territory under its *de facto* control, and refuses to permit the collection of double duties.

If any violation of neutrality has occurred it was in connection with the sailing of the Venus from New Orleans as an expedition of the Madriz faction. (Signed) KNOX.

ADDENDA E.

MANAGUA, June 23, 1910.

To Ministro de Nicaragua, Washington, D. C., 1912:

According to the rights of the people, no neutral government can prevent or disturb the military operations in time of war, which is legally executed by belligerants. Foreigners are subject to all contingencies of these operations, the same as natives. In consequence, I cannot consider the acts of the American marines in having prevented the operations of our armies at Bluefields as legal.

Regarding the sailing of the Venus from New Orleans, I am convinced that she has not violated any of the laws of the United States. Furthermore, the clearance given by the authorities at New Orleans only obligated the vessel to maintain neutrality during her voyage, which she actually did. Once her voyage, for which she had been given clearance, terminated, she entered other waters and changed her nationality in accordance with the laws of Nicaragua; and the laws and authority of the United States have nothing to do with the ultimate destination of the vessel, which has had, and has, the right to execute warlike operations, amongst which figures the blockade.

I omit at present to refer to other details of Mr. Knox's note; but I want made known the certainty that, but for the interference of the naval authorities of the United States, in the manner explained in my cablegram to President Taft, Bluefields would have been taken, the revolution defeated and Nicaragua in peace.

MADRIZ.

EXHIBIT E

[TELEGRAM.]

"BLUFF, 5 P. M., July 23d, 1910.

"To the Supreme Command of All Arms, Managua:

"The Executive Delegate sent me from San Juan del Norte the telegram you addressed to him, which contains a copy of a cable you received from the Norwegian Consul General at Havana, and also a copy of a telegram sent you by the Executive Delegate at San Juan del Norte relative to the steamers 'Hiram' and 'Utstein,' at the same time giving me instructions of what I should do upon the arrival of these steamers here.

"As some steamers had been sighted, I thought one might be the 'Hiram,'" and I sent out two despatches, one addressed to the Captain of the 'Hiram' and the other addressed to the Commander of the American Squadron anchored opposite this Fort, which despatches said: Bluff, July 21st, 1910—To the Captain of the Steamer 'Hiram,' opposite the Bluff: Please take note [here I gave him copy of the telegram I received from the Executive Delegate, and also a copy of the cable that had been received from the Consul General of Norway at Havana] I have reliable information that you have war contraband aboard intended for the revolution headed by General Juan J. Estrada, and in consequence of and in conformity with the information given me in the telegram and cable, of which I give you a copy herewith, I herewith order you to deliver to this authority whatever war supplies you may have aboard, and I warn you that, should you refuse to do so, I shall confiscate your vessel in conformity with the laws of my country. I also inform you that you will be held responsible for your action in this incident, and that I shall advise my Government of whatever action you will take, and that my Government may report your conduct to the Norwegian Government.

"I do not doubt that you, seeing that justice and right is with us, will facilitate the delivery of this war contraband. I send you this communication in duplicate, so you may confirm receipt of this dispatch at the foot of one of them. Yours truly [signed] F. M. Rivas, Inspector General of the Atlantic Coast.

"The second despatch reads as follows: Bluff, July 21st, 1910—Sir: I herewith acquaint you with a communication I received the 16th inst. from the Executive Delegate: San Juan del Norte, July 16th, 1910.—General Fernando M. Rivas, the Bluff: Under date the 12th inst. I was advised over the wire by the President that the Minister General, Mr. Baca, received a cable from the Consul General of Norway in Havana, which reads as follows: [Here follows the cable.] This authority has trustworthy information that the steamer 'Hiram' brings war supplies for the revolution under the leadership of General Juan J. Estrada. I am despatching a communication to the Captain of said vessel in which I demand the surrender of all war material to this command, and I am basing my demand on the information contained in said cable received from the Norwegian Consul General. I trust that, once you are aware of the information given us in this cable, you will see that justice and the right are with us and that you will not oppose in any way that my demand to the Captain of the 'Hiram' is not complied with, and that, should you object, you will notify me in writing before you will permit the 'Hiram' to enter and to proceed to Bluefields, which I doubt very much you will permit, knowing, as I do, that your Government has declared its neutrality, and having satisfied myself that you know how to interpret this neutrality. Your attentive and never-failing servant, [signed] F. M. Rivas, Inspector General of the Atlantic Coast to the Comamnder of the Naval Forces of the United States assembled opposite the Bluff.

His answer was the following:

"No. B, 6110, U. S. A. 'Dubuque,' 3d Class, in the Road to Bluefields, Nicaragua, Central America, July 22nd, 1910.

"Sir—I have the honour to confirm receipt of your communication of the 21st of July, 1910. I shall cause the steamers to anchor near my vessel while the nature of their cargo is determined, and thereafter I shall act according to demands of circumstances and in accordance with instructions from my Government relative to

the protection of American commerce and the maintenance of neutrality. Respectfully [signed] H. R. Rines, Naval Commander of the United States, in Comamnd of the Marines at Present on the Oriental Coast of Nicaragua, to General F. M. Rivas, Commander at the Bluff, Nicaragua, Central America."

'Last night the steamer 'Utstein' arrived and immediately I sent a despatch aboard identical to the one sent to the Captain of the 'Hiram,' but the Captain of the 'Utstein' refused to receive the despatch, saying that if anything was wanted of him an understanding should be had with the Commander of the 'Dubuque.'

"The communication was delivered to the Commander, who declared that he was not responsible for the Captain of the 'Utstein' accepting or refusing to accept despatches, and that much less would he sign the duplicate of the despatch which I had sent along in order to have a proof that said despatch had been delivered to him. Furthermore, the Commander of the 'Dubuque' declared to General Francisco Altschul and Mr. Ofilio Arguello, the latter being my interpreter, that HE WAS A PARTISAN OF THE REVOLUTION, and that he had told the Captain of the 'Utstein' that, if he did not care to, not to communicate with us, and that he would give the Captain of the 'Utstein' his unconditional support, and shortly afterwards he sent marines aboard that vessel and ordered the vessel to proceed to Bluefields, which took place to-day. I have sent a despatch to the Representative of the Norwegian Consul in Bluefields, protesting against the actions of the Captain of the 'Utstien,' heading this protest with a copy of the cable received by the Consul General of Norway in Havana. This communication to the Norwegian Vice Consul in Bluefields is to be delivered through the Commander of the 'Dubuque,' supposing that he cares to do so, but, taking into consideration the hostility this official has shown us, it is doubtful that this communication will ever reach its destination.

"So long as there is no warship here of another nation, and in command of an officer who is really neutral, the interest of your Government will be at the mercy of the officers of the United States Navy, who are inspired and counseled by the American Consul in Bluefields, who is a more revolutionary rebel than Estrada and Chamorro.

Your subaltern, (Signed) F. M. Rivas."

ADDENDA E

"New Orleans, 7 p. m., Novbr. 9th.

"President, Managua:

"Guatemala advises Bluefields cargo has not been for yet. Last of October shall send to Bocas large quantity of shells, also men. From Bluefields Diaz answered: Shall try and sustain ourselves until arrival of steamer." Altschul.

"New Orleans, 7:40 p. m., 17th Novbr.

"President, Managua:

"War elements have arrived in Bluefields it seems are the same advised by cable last week—hailing from Bocas—Steamer Utstein leaves now for Port Barrios with war supplies. Altschul."

"New Orleans, 8:38, 18th of Novbr.

"President, Managua:

"Utstein will arrive Barrios Sunday, to transfer 44 cases rifles and 114,000 shells to a gasoline schooner bound for Bluefields. Guatamala uses Barrios as a base for the revolution. Altschul."

"Bluefields, 15th November.

"President, Guatemala:

"If war supplies are not received before the 20th, revolution will have to be abandoned. Diaz. Cabrera answered. Ulstein, with war supplies aboard, will arrive in a few days."

"New Orleans, 11 a. m., Novbr. 24th.

"President, Managua:

"Ulstein left for Bermuda Monday, from Port Barrios; will arrive Bluefields to-morrow." Altschul.

"Washington, Jany. 13.

"Estrada, Bluefields:

"THEY ADVISE YOU NOT TO PAY ATTENTION TO KIMBALL. Castrillo."

"Washington, Jany. 14.

"Estrada, Bluefields:

"State Department does not support Kimball. Castrillo."

"WASHINGTON, Jany. 14.

"Estrada, Bluefields:

"STATE DEPARTMENT INFORMS ME THAT MADRIZ IS VERY WEAK. CASTRILLO."

"WASHINGTON, Feb. 12/10.

"Estrada, Bluefields:

"State Department will proceed energetically in our favor.

"CASTRILLO."

"BLUEFIELDS, Feb. 11/10.

"Castrillo, Washington:

"We know positively that Madriz has no elements of war and is trying to obtain them in Costa Rica and Honduras. Our operations continue with vigor. Chamorro army every day stronger. Corea animates Madriz. Continue pretending moral support of American Navy at Corinto, and try and have Washington Cabinet influence Mexico. ESTRADA."

"BLUEFIELDS, Feb. 9/10.

"Chamorro, Panama:

"Want to know how many Americans you can enlist immediately. I can send steamer 'Senator.' This depends on your answer. DIAZ."

"COLON, Feb. 14/10.

"Diaz, Bluefields:

"Can enlist not less than 25 Americans. If you can send steamer, be sure to tell me what date it will arrive at port of embarcation. CHAMORRO."

"President, Managua:

"NEW YORK, 1:15 P. M., 7th of December.

"The revolution and this Government will never accept Irias. Deposit in Dolores Estrada will impede further sacrifice of lives, and the disembarking of Americans. Read note of Knox to Rodriguez. Bolaños."

"NEW YORK, 6:40 P. M., 17th Decbr.

"President, Managua:

"Appointment of Madriz considered an error. Will not be recognized by this Government nor by those of Central America, and revolution will not cease. Bolaños."

"NEW ORLEANS, 3 P. M., Novbr. 6th.

"President, Managua:

"Adolfo Diaz cabled via Guatemala asking for 1,000 rifles and 300,000 shells. ALTSCHUL."

"BLUEFIELDS, Nov. 8.

"Arambura, New York:

"Ask Castrillo what is the opinion of Washington with reference to new Republic. Has steamer sailed? If not, what is the cause? When will she sail? Answer immediately by Western Union Code. "DIAZ."

"BLUEFIELDS, Feb. 4/10.

"Rita, Guatemala (Estrada Cabrera):

"Latest news is Chamorro, Camoapa, Mena, Santo Tomas now on the way to combine with Chamorro. I am anxiously awaiting 'arte.' (?) DIAZ."

"BLUEFIELDS, Feb. 5/10.

"Saenz, Guatemala (Estrada Cabrera):

"We require urgently 200,000 cartridges, Remington, 43 y 50,000 cartridges. (?) May you instruct (?) prompt dispatch? Ofrezco mi garantía. I offer my guaranty. ADOLFO DIAZ."

"BLUEFIELDS, March 7/10.

"Saenz, Guatemala:

"Present state of affairs, peace is entirely in your hands. Washington *Tanzimat* without consulting you in the matter."

ADDENDA F

EXCERPT FROM A MESSAGE WHICH PRESIDENT MADRIZ, OF NICARAGUA, WROTE WITH HIS OWN HAND, AND WHICH WAS TO BE SENT TO THE NATIONAL CONGRESS, BUT WHICH, ON ACCOUNT OF LACK OF TIME, WAS NEVER SENT:

Notwithstanding I cannot help but refer to the principal of them, because it explains the political transition which I have just communicated to you; I refer to the intervention of the United States in our domestic fights.

This intervention is made known to you through a cable message which I have addressed to President Taft in regard to it. I will give you a concise idea of same:

As the peace overtures which were offered during the middle of last March between this Government and the faction in Bluefields were frustrated, on account of the pretentions of General Estrada, who desired to establish conditions which I did not consider compatible with the dignity of the Republic, it was necessary, in order to determine the situation, to continue our military operations against the enemy. To do so, we sent our armies by land, one against Bluefields under command of General Paulino Godoy, and another against Rama under command of General Benito Chavarria. By sea, we sent from San Juan del Norte our boats armed for war, the steamship Maximo Jerez (formerly the Venus) and the steamship San Jacinto, under command of the Executive Delegate, Dr. Julian Irias, and the Chief of the Expedition, General Fernando M. Rivas. The ships carried sufficient landing forces to assault the Bluff, and attack Bluefields, so that the column of General Godoy could attack the revolutionary forces which they found entrenched outside of the city. The ships were to establish a blockade of Bluefields and close the port completely to foreign commerce, in order to deprive the revolutionists of re-enforcements and help which would arrive from New Orleans. The combined operations would have resulted in the fall of Bluefields, which had remained defended, and the defeat and submission of the revolution, which, deprived of all co-operation from the outside by the blockade, could not long resist.

In the brilliant attack of June 27th, the troops from the steamship Maximo Jerez assaulted and took the Bluff, which had been thought impregnable. Its possession on our part placed Bluefields in our hands. The forces of General Godoy attacked the enemy's formidable positions, and, after a bloody fight, would have crowned its efforts with victory, if the forces at the Bluff would have been able to dislodge the enemy from its base of operation and attack it from its rear. The column under General Chavarria defeated the revolutionists in El Toyal, near Rama, and if our forces had won in Bluefields, Rama would necessarily have fallen.

But the decisive moment, when the whole country saw with satisfaction the advent of peace, the power of the United States crossed

our path, prevented our victory, and once more brought the clouds of blood and death, which we, with pain, still see floating upon the horizon of our country.

The Commander of the American cruiser Paducah, anchored in the waters of Bluefields, for reasons inconsistent in the light of Right, intervened directly in the fight, protecting the rebels, cutting off the further attack by our forces and frustrating the result of our sacrifices and our victory at the Bluff. In fact, he landed marines to protect Bluefields, and to prevent the attack by our forces on that rebellious city; and according to statements of impartial Americans, whose reports were published in the American press, the American marines reinforced the positions of Estrada's army, thereby conducting themselves as revolutionists. This conduct cannot be justified as a protection of foreigners, and especially of Americans living in Bluefields.

International law does not authorize this exception to the undeniable right of sovereignty and of belligerency. As sovereigns, we can impose our authority in any Nicaraguan city; as belligerents, we can attack and destroy the enemy in any place, if same is not within the territory of another. Bluefields was the cradle and seat of the revolution. Its government was located there. To take it, or force its surrender, was to destroy the base of the revolution.

In regard to the danger to American interests, international law establishes that foreign residents in a place where a state of war exists are subject to all contingencies of the operations executed legally by the belligerents. This undeniable principle was sustained by the American government during the bombardment of San Juan del Norte, an open city, unfortified, unarmed, a purely commercial locality, by the ship Cyane, of the American Navy, in the year 1852.

Furthermore, this government purchased in New Orleans the steamship Venus, an English merchantman. Before she left New Orleans destined for San Juan del Norte, the revolutionary agents endeavored to prevent her leaving, alleging to the government authorities in New Orleans that she sought to violate the law of the United States. The authorities carefully examined the matter,—inspected the ship, heard all the proofs adduced on both sides, consulted the Departments of Commerce and of Justice of the American Government,—and resolved that, according to the laws of the United States, the voyage of this ship could not be prevented.

The Venus brought arms destined for the Government of Nicaragua at San Juan del Norte. In the United States, the traffic in arms is free, except the right of belligerents to seize same as contraband of war.

The Venus left New Orleans, carrying regular clearance papers issued by the port authorities. The papers given her were signed under the obligation on the part of the vessel to maintain neutrality during her voyage. The Venus complied with her obligations of neutrality during her voyage and entry at her destination, where she arrived, unarmed, at San Juan del Norte. She could do no more, and, above all, was not under the American flag. At this port, before the British Consul, she changed her register under the English flag for that of Nicaragua, after which she armed for war and was sent to operate against the rebels of Bluefields. In all this there was no infraction of the laws of the United States, nor international law. With all the Government of the United States has declared that the Venus cannot operate against American commerce by using the right of search on the high sea, nor that of blockade, because of the pretext that this vessel left New Orleans through subterfuge and deceived the authorities of the United States. On this account, the avenues of help from the outside remained open to the revolution, and especially from New Orleans, where, lately, large shipments of war material have been made, destined for the revolution. This explains clearly why measures were taken to prevent the blockade.

The principal customhouse of the coast is at the Bluff, and this was established by law before the revolution. The possession of this post gave us authority over the customhouse and the right to the revenues produced by same. The American Government declared that these revenues belong to the Estrada faction, and ordered that the American commerce pay same to the revolution in a new customhouse established in Schooner Key, in the River Escondido.

As we were in possession of the Bluff, we could still have prevented any boats from entering the river and going to the customhouse established by the revolution, but the commanders of the American gunboats Paducah and Dubuque threatened to fire on us with their guns if our forces at the Bluff interfered with American commerce. "One shot," they said, "fired on a vessel carrying the American flag would be considered a declaration of war against the United States."

In order to insure the free movement of vessels past the *Bluff*, the commanders of the American vessels stated they would place at all times a guard of American marines on the vessels, which they have invariably done.

To-day, on account of this action, vessels are passing the Bluff carrying the American flag—these include all kinds of vessels, among which, schooners from San Andres and Providence are loaded with provisions for Bluefields. Furthermore, a tug employed by the enemy in its hostile operations, which fired on a lighter bearing our men, passed the Bluff under protection of the American flag.

When our forces occupied the entire coast from San Juan del Norte to Cape Gracias the Executive power ordered to establish a customhouse at Pearl Lagoon to collect duties on exports and imports from those districts under our authority, but when we notified the commander of the Dubuque of our action in the premise he replied to us, imposing restrictions which, in effect, practically gave the revenues of the coast to the Estrada faction. Finally, notwithstanding the occupation of Bluefields by the American marines, and the sham neutrality which they pretended to maintain, an attack was prepared on Pearl Lagoon position without our being able to prevent the enemy from carrying out its intentions.

As some of the vessels which ran between the United States and Bluefields are of Norwegian nationality, this government made overtures to Norway, to the end that these vessels respect the closing of the port of Bluefields. That government, recognizing the legality of our act, thought that it was duty-bound to accede to our petition, and to this effect notified its Legations in Washington, Havana and the Norwegian Vice Consul in Bluefields. The American Government officiously intervened, and in a communication addressed to the Norwegian Minister in Washington, objected to the order of the Norwegian Government, under the pretext that the blockade was ineffective and prejudicial to the interests of American commerce.

The Norwegian steamship Utstein having arrived at Bluefields, and as we had advices that she carried elements of war for the revolution, our commander at the Bluff addressed a communication to her prohibiting the delivery of this contraband of war which she had on board. The captain of the Utstein declined to receive the communication, and, violating our orders and those of his own

government, entered the port under protection of the marines from the U. S. S. Dubuque.

On account of the commander of the Bluff answering the fire of the revolutionary artillery stationed on Halfway Key, one of our projectiles fell near Bluefields, and the commander of the Dubuque gave notice that a repetition of this would be considered a bombardment of Bluefields. . . . . MADRIZ."

ADDENDA G.

MANAGUA, September 14th, 1912.

Jefes Politicos, Governor-Intendant and Commandants:

I transmit to you the following communication, dated the 13th inst., directed to this office by his Excellency, George F. Weitzel, Minister Plenipotentiary and Envoy Extraordinary of the United States at this capital, so that you may give it due publicity:

"LEGATION OF THE UNITED STATES OF AMERICA,
MANAGUA, September 13, 1912.

Excellency: I have the honor of informing your Excellency that the Department of State has given me instructions by cable to transmit to the Government of your Excellency, and unofficially to the leaders of the rebel forces, and to make public the following authorized declaration of the policy of the United States during the present disturbances.

The policy of the United States during the present disturbances in Nicaragua is to take the necessary measures to adequately protect the Legation in Managua, to maintain open the ways of communication, to protect the life and property of Americans. Upon repudiating Zelaya, whose regime of barbarism and corruption was ended by the Nicaraguan nation after a bloody war, the Government of the United States condemned not only the individual, but the system. Consequently this government could not tolerate any movement to re-establish the same destructive regime.

The Government of the United States therefore will oppose any attempt to restore Zelayism and will lend its moral and efficient support to the cause of good government legally constituted for the benefit of the people of Nicaragua, who, for a long time, it has endeavored to assist in their just aspirations towards peace and prosperity under a constitutional and orderly government.

A group of about 125 American planters residing in a region of Nicaragua have asked for protection; about two dozen American houses doing business in that country have asked for protection; the American banks, which have invested funds in railways and steamships in Nicaragua, as part of a plan to relieve the deplorable financial situation, have asked for protection. The American citizens who are actually in the employ of the Government of Nicaragua, and even the Legation, have seen themselves exposed to immediate peril during the bombardment. Two American citizens, the reports state, have been barbarously assassinated; besides the Emery claim due to American citizens, and the indemnity for the killing of Cannon and Groce during the war with Zelaya, there are various other claims of Americans and interests originated by concessions, in Washington.

The United States is under the obligation of exercising its influence for the maintenance of general peace which is seriously menaced by the present uprising; and in this manner to exact strict compliance with the convention of Washington and lend due support to its designs and terms.

All the Republics of Central America can depend upon powerful mediums of co-operation.

These are the important moral and political interests which require protection. When the American Minister asked the Government of Nicaragua to protect the lives and property of Americans, the Minister of Foreign Relations answered that the troops of the government were occupied in putting down the rebellion.

Consequently my Government desires that the Government of the United States guarantee with its own forces the security and property of American citizens in Nicaragua, and to extend this same protection to all the inhabitants of the Republic.

Under these conditions, the policy of the United States shall be to protect the life and property of its citizens in the manner indicated, and at the same time employ its influence by adequate means to protect the legal and organized government, so that Nicaragua may continue its program of reform, free from the obstacle put in its way by the vicious elements who wished to restore the methods of Zelaya in citing General Mena to rebellion in flagrant violation of his promises given to his Government, the American Minister and the Dawson Convention, by the terms of which he was solemnly

obligated, and his attempt to overthrow the government of his country, moved exclusively by selfish motives and without even pretending to fight for a principle, makes the present rebellion, from its beginning, the most inexcusable one in the annals of Central America. The character of the actual disturbance and the proceedings employed impress them with the stamp of anarchy rather than that of an ordinary revolution.

The moral condition of those who immediately made common cause with Mena, as well as their uncivilized and savage conduct in breaking an armistice, mistreating women, violating their word of honor, torturing peaceful citizens, exacting contribution, and, above all, the barbarous bombardment of the city of Managua, the deliberate destroying of the lives of innocent persons and their property, the killing of women, children and the sick in the hospitals, the cruel and barbarous assassination of hundreds said to have been perpetrated in Leon, identify Mena's rebellion with the abhorred and intolerable regime of Zelaya.

I beg your Excellency to accept the reiterated expressions of my esteem and most distinguished consideration.

GEORGE F. WEITZEL,
American Minister.

To His Excellency,
DON DIEGO M. CHAMORRO,
Minister of Foreign Relations."

Your attentive servant,
DIEGO M. CHAMORRO,
Minister of Foreign Relations.

ADDENDA H.

DECREE BY THE DICTATOR DIAZ.

The President of the Republic:

Whereas, the Constitutive National Assembly, convened by Decree of April the 5th, 1911, overreached the limit of its powers, the President, in Ministerial Council, decrees:

ARTICLE 1. Meanwhile the Constitutive National Assembly, which is to be convened immediately, does not dispose otherwise, the present Constitution shall be valid only as far as the Executive

and Judicial Powers are concerned. THE EXECUTIVE SHALL ASSUME LEGISLATIVE POWER.

ART. 2. The functions of the Constitutive National Assembly, convened by Decree of April 5th, 1911, are hereby declared terminated.

ART. 3. The people are to be convened for the election of Deputies to a Constitutional Assembly which shall reform definitely the Constitution and Constitutive Laws, at the same time exercising the Powers of Legislation.

Given at Managua, in the Presidential Palace, the 18th day of October, 1912.

Adolfo Diaz.

The Minister of the Interior, Miguel Cardenas.

The Minister of Agriculture and Finance, Pedro Rafael Cuadra.

The Minister of Foreign Relations and Education, Diego M. Chamorro.

The Sub-Secretary of the Army and Navy, Benjamin Cuadra.

The Minister of Improvements and Public Works, Elsías Pallais.

ADDENDA H.

PROTEST PROCLAIMED IN BLUEFIELDS, OCTOBER, 1912.

(FINAL PART.)

We, the undersigned Nicaraguan citizens, who love the Sovereignty and the dignity of our Republic, and pronounced enemies of all foreign intervention on our soil, and without any previous understanding with the people in the interior, whose attitude we do not know even now, due to lack of communication with the interior, have unanimously resolved:

1. To abtstain from any participation whatever in the elections just decreed.

2. To protest most vigorously and with all our heart against the infamous aggressive stand taken by the Government of the United States against our beloved country, Nicaragua; and,

3. To condemn the shameful conduct of those Nicaraguans who are traitors to our country and who are besmirching the honour of the Indo-Spanish race.

Bluefields, C. A., October, 1912.

Rosendo Arguello, Jacob Jaén, Manuel H. Girón, José M. Zacarías G., Juan Ignacio Rivas, J. Ramón Cisneros, Ciriaco Pineda G., Salvador Lejarza, A. Hunter, Pío E. Guzman, Juan Dávila R., J. P. Chévez, J. P. Delgadillo, Guillermo Childres Raudales, Gustavo Cortés, Samuel Gutírrez, M. Ig. Argüllo, F. R. Baldovinos, Carlos A. Espinosa R., E. Castrillo Z., Eduardo Delgadillo, J. M. Araica, Carlos Alberto Castro, Jesus Sierra F., Narciso Bermudez, Ygnacio Dinarte, Patricio Solís, B. Herrera, Narciso Bermudez, Ignacio Dinarte, Patricio Solís, B. Herrera, Franco Avilés.

ADDENDA I.

San Salvador, August 26th, 1912.

To President Taft, Washington:

The Nicaraguan situation is being aggravated more and more every day, and I fear serious complications if American troops invade Nicaraguan territory. In Leon the masses revolted upon the arrival of the marines, and had it not been for the intervention of the Salvadoran Minister we would now have to lament grave consequences. I respectfully request you to suggest to President Diaz to enter into some arrangement whereby peace can be secured, accepting a third party in whom the Executive power is to be deposited.

"I am prompted to address this communication to you by my ardent desire for peace in Central America and my sincere friendship for the Government and the people of the United States.

"Presidente Araujo."

ADDENDA I.

(Translated from Spanish.)

Washington, Septbr. 5th, 1912.

To the American Legation in San Salvador:

The President desires that you solicit an audience with President Araujo and that you place in his hands the following communication, word for word, which is an answer: "His Excellency, the

President of the United States, estimates very highly the assurances of your ardent desire for peace in Central America and the assurances of your friendship. These motives will no doubt guaranty a strict adherence and an enforced obedience to the stipulations of the Washington Convention, in that part that may concern the Salvadoran Government, and will no doubt be a guaranty that the Salvadoran Government will carry out the dispositions made by the Government of the United States to create confidence in the peace of Central America, carried out by this government, which is the government best fitted to do so, and because it is justified in doing so by the stipulations of the Washington Convention, and because it is completely neutral in all local issues which might frustrate the intentions of any one of the Governments of Central America.

"I am, with you, of the opinion that the political situation in Nicaragua is very grave. The Government of the United States has never intended to leave its Legation and the lives and interests of its citizens in Nicaragua to the mercy of a rebellion that had no justification and which, by its acts, recalls the epoch of Zelaya, committing the most flagrant outrages against all principles of honour, humanity, law and order and civilization, as indicated by Your Excellency. I do not think it just to suggest to the legitimate Government of Nicaragua that it should deal with persons who have demonstrated that they will not respect agreements made with local authorities, legal representatives and within their right.

"In consequence of all this, and in order to expedite the carrying out of its obligations, the Government of the United States proposes, in conformity with a solicitation made by the Nicaraguan Government, to take such steps as are most convenient to protect its interests and to insure peace, taking in consideration that every one of the Central American Republics has solemnly compromised itself with this government to maintain the Washington Convention.

"It has pained me to learn, although I may say that I have not given any credit to the rumor, that the present revolution in Nicaragua is being supported from Salvadoran territory.

"I deem it hardly necessary to say to Your Excellency that Salvador will have a chance to vindicate its policy in conformity with the Washington Convention. WILLIAM H. TAFT."

ADDENDA I.

"SAN SALVADOR, Sept. 23, 1912.

"*Legation of El Salvador, Washington, D. C.:*

"Please place before Mr. Under-Secretary Wilson, in a verbal conference, the exact copy of this dispatch, begging him to bring it to the attention of His Excellency, President Taft, for whose consideration it is forwarded. The dispatch is as follows:

" 'It is understood here that the naval forces occupying Nicaraguan territory have engaged in military operations against the revolutionists at Granada. So grave an event seriously compromises the other Central American governments. In order to safeguard my own, and fulfilling lofty duties to humanity, which I feel sure will find a generous echo in the President, please suggest to him the proposition that in order to avoid greater bloodshed in our brother nation a propitious opportunity is presented to the American government to lend its high offices to humanity by aiding my government, either by joint or separate action, in placing Don Salvador Calderón in charge (provisionally) of the supreme power in Nicaragua, while constitutional order is being re-established by pacific and legal means. Sr. Calderón is a person of blameless antecedents, illustrious and honorable, a person likewise acceptable to the American government and a friend of President Diaz, who has indicated to my government that he would accept him in such a capacity. My government promises to exert moral pressure upon the rebellious chiefs for the acceptance of Sr. Calderón in agreement with that government, which would thus lend a service, unforgetable in the memory of the Central American people, avoiding the profound upheaval which the gravity of the events has caused in this country, which likewise would deeply reverberate in the moral opinion of the whole continent. Explain to the President my good intentions in this grave emergency, which I was not expecting, because the Department of State had indicated to you that American naval action would be limited to guaranteeing foreign lives and property and safeguarding the American Legation and Consulate in that country—a manifestation which we received with complacency, the more so as it was confirmed by Minister Weitzel to our Minister in Nicaragua.

The unavoidable consequences which the continuation of this useless conflict in the form and character in which it to-day presents

itself would bring to Central America cannot escape the exalted penetration of the President, and you will make one more effort in the mode proposed by interesting deeply the humanitarian sentiments of the head of that government.

"I see with regret that the agreements entered into in Washington by the Central American delegates, under the mere attitude of good offices and generous hospitality which Ex-President Roosevelt lent them, appear to be invoked in favor of the position lately assumed. El Salvador being a contracting party, judges it as its undeniable duty—a duty which becomes a right when it deals with the interpretation of the facts which directly affect it—to declare to President Taft, in the frankest and most respectful manner, that the good offices which the United States and Mexico lent to the Central American Plenipotentiaries are ever remembered with pleasure, but that they ought to be limited to what they intentionally signify. The firm relations of cordial friendship which bind El Salvador to the American government authorize me to exercise this right in the most courteous and well-intentioned way.'

"You can add pertinent explanations concerning the contents of these instructions to the Secretary of State, appealing to his friendly courtesy to convey them to the high functionary for whom they are designed.

(Signed) "MANUEL E. ARAUJO."

DR. JOSÉ MADRIZ,
Former President of Nicaragua.

JOSE MADRIZ.

Jose Madriz was born in the City of Leon, Nicaragua, C. A., February 21, 1866.

His parents were poor and honorable. In spite of their poverty, they resolved to give their son a literary education and José received his elementary, high school and professional training in the city of his birth. The deficiency in his school training, due to the adequate educational facilities, was more than counterbalanced by his mental talents and a close application to his studies.

He was fortunate in that his intellectual training came at a period in the country's history when the illuminating ideas of the great patriot, Maximo Jerez, a noted jurist and philosopher, were in the ascendancy.

His vocation as a lawyer was crowned with marked success, and in 1893, when only 27 years of age, he was summoned by President Zelaya to the exalted position of Secretary of State, a position which he administered with brilliancy for several years.

During this incumbency he was sent to the Atlantic coast of Nicaragua in the capacity of Executive Delegate, charged with an important political mission. Difficulties had arisen in that territory, known as the "Mosquito Reserve," as a result of the establishment of a protectorate over it by His British Majesty. As a result, largely, of his intelligent labors, all of that coast was reincorporated as a part of the Nicaraguan Republic, and an era of development in that section was immediately begun and has continued since in an astounding manner. For this reason Dr. Madriz, perhaps more than anyone else, deprecated the proposal of the revolutionists of 1909 to declare the Atlantic coast an independent republic, or, rather, ostensibly independent, for the truth is that, if such severance had occurred, it would have been subjected to a protectorate by a foreign power.

On account of internal political dissensions Dr. Madriz had to resign his position as Secretary of State in 1895. However, he was later restored to his elevated position in fulfillment of conditions imposed upon President Zelaya at a conference between the executive and the Liberals, of Leon, as a means of averting civil strife. This, unfortunately, did not have the desired result, and Zelaya faced a revolution.

During the several years that Dr. Madriz served Zelaya he could and did do so conscientously, for Zelaya then was regarded as one of the best presidents in Latin-America, honest, a respector of the laws of the country, and, indeed, practically a liberal ruler.

When the revolution referred to broke out, Madriz was in its ranks. The revolution was unsuccessful and Madriz emigrated to Salvador, where he resided until 1907. There he married Miss Hortensia Cobos. Four children resulted from this union, two sons, Ricardo and José, and two daughters, Hortensia and Mercedes.

Although he did not accumulate a fortune in his law practice in Salvador, his family lived in comfort and always moved in the best social circles.

In Salvador, and in Honduras and Guatemala (in which latter two republics he lived for a short while), Dr. Madriz's eminent culture, intellectual achievements, and courteous manners attracted to him the friendship and esteem of all those who had the good fortune of his acquaintance. His brilliant eloquency made it a rare pleasure, indeed, to hear Dr. Madriz speak.

In 1907, notwithstanding his political animosity toward Zelaya, the hostility shown by other Central American Presidents to the Liberal Party in Nicaragua prompted Madriz to return to Nicaragua and lend his earnest co-operation to the efforts to avoid an invasion, which then appeared to be and, in fact proved, inevitable.

Dr. Madriz, like other adversaries of Zelaya, was prompted by high motives and a patriotic desire to assist Zelaya. The difficulties confronting the adjoining republics made Dr. Madriz and others of the patriotic who were strong believers in the necessity for a union of the Central American republics, to think, in the possibility of the union at least, of the three republics which had made the last effort to effect it. Madriz was disillusioned, however, when Zelaya sank far below his estimations by abandoning the cherished hope of the union, and preferring to content himself with a change in the executive power of Honduras. This change of president in the neighboring republic, however, resulted in no benefit to either Honduras or Nicaragua, due to grave mistakes made by Zelaya as a result of his narrow-mindedness in those circumstances.

Thus, disillusioned and disappointed, Madriz again left Nicaragua, this time, however, without having had any political rupture with Zelaya. He went to Honduras with the intention of making this country his permanent home. Circumstances unforeseen, however, compelled a change of his plans later.

The governments of Latin-American accepted the proposal of a Central American peace conference in Washington and Madriz was appointed head of the Nicaraguan delegation. In this conference, in accord with the Honduran delegates, he advocated the restoration of his old country, or nation, in the union of the five republics, which had been his constant dream. These efforts were again in vain and the conference bore no practical results.

Although representing Zelaya's government, Madriz without exception made proposals, and accepted such, which had for their object the enforcement and observance of law in all Central American countries, and, in truth, it must be admitted that Zelaya never failed to support the acts of Madriz even if his suggestions and advice frequently were inimical to the personal interests of the rulers, who were wont to consider their word as the law. Unfortunately, most of the tentative steps taken in line with these suggestions were eventually rejected by the conference.

One of the results of this Washington conference was the establishment of the Central American Court of Justice at Cartago, Costa Rica. Dr. Madriz was appointed a judge of this court by the Nicaraguan Congress. Upon his return from Washington Dr. Madriz remained in Costa Rica, attending to his duties in connection with this Court until December, 1909, when he was summoned by the Nicaraguan Congress to take the presidency of the country, Zelaya having decided to tender his resignation.

We were justified in expecting an era of peace in Nicaragua, under the administration of President Madriz, because he had the confidence of the Zelaya faction in Nicaragua, and should have had the confidence and support of the revolutionists, like many of whom he had been for several years an exile from the country and a pronounced adversary of the Zelaya administration. But, local jealousies and other causes, which do not properly belong here, were responsible for a continuance of the most disastrous civil war the country ever witnessed.

Those of us who had an intimate acquaintance with Madriz, and who realized that peace could not be soon effected, were loath to see him accept the presidency, knowing that, because of his pacific nature, he was unfitted for the difficult task which was then present. Madriz, in time of peace, undoubtedly would have proved one of the best presidents Latin-American ever knew. His character and training, however, did not fit him for an epoch of war. A man of profound feelings of amity and peace, he was not capable of exercising strong tactics against his enemies, notwithstanding he knew they were conspiring against him. This gave courage to his adversaries. In fact, he was a president of whom they were unafraid. He was not a man willing to order the spilling of the blood of his brothers to maintain himself in power.

In this connection, we do not wish it to appear that we would censure him. He did right, as his desire was to leave to his children a name unbesmirched with sanguinary acts. However, for the sake of his country, it would have been better if he had spared himself for other and better opportunities.

The Madriz government, weighted down by the heavy hand of a foreign government, foresaw that a continuation of the civil strife inherited from the Zelaya regime, would not result beneficially to his native land, and with a firm belief that he had done all possible in defense of the national honor, Dr. Madriz left the country and went to Mexico, where he had many sincere friends, acquired during his visit to that republic as a delegate of the Peace Conference in Washington, to thank President Porfirio Diaz for the employment of his good offices in the interest of Central American peace.

It was the purpose of Dr. Madriz to establish himself in Mexico City in the practice of law, hoping to find there the peace of mind which was denied him in Central America, but death put an end to his plans for the future. An unconquerable, but sudden disease prostrated him for a few days, and on the 14th of May, 1911, he died; yet in the memory of all good, patriotic Central Americans he lives.

In Nicaragua his demise was lamented in almost every home and even his political enemies, who, during his life, had not hesitated to defame him, bowed in grief before the altar of his memory. The National Assembly of Nicaragua honored Madriz's memory by giving his name a place in the "Hall of Fame" of that country. This honor conferred upon him is proof that Madriz embodied the national cause.

May this posthumous honor result, at least, in consolation for the family of the departed and for those of us who had the honor and distinction of his friendship. We trust it will encourage the Central American youth to live up to the lofty example set by this great patriot.

P. Bonilla.

New Orleans, October, 1912.

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